

**To:** Chen, Adam [REDACTED]  
**From:** Chen, Adam [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2C3AACF10A6F45F287BE3638BDFA9D8C-FCHEN]  
**Sent:** Wed 5/22/2019 7:52:16 AM (UTC-04:00)  
**Subject:** Daily Clips-- Wednesday, May 22, 2019  
[Daily Clips--Wednesday May 22 2019.docx](#)

## Contents:

Lawsuit to stop Health Care Discrimination:

[Politico Pro- James seeks to block Trump administration's 'health care refusal' rule](#)  
[Associated Press- States sue over rule allowing clinicians to refuse abortions](#)  
[Bloomberg- Trump Sued Over Rule Allowing Health-Care Religious Refusals](#)  
[Reuters- U.S. states, cities sue to block Trump 'conscience' rule for healthcare workers](#)  
[The Washington Times- Blue states sue over Trump's 'conscience' rule for health workers](#)  
[CT Mirror- CT enters legal tussle over Trump administration's 'conscience rule'](#)  
[The Hill- Democratic states, counties, sue Trump admin over religious protections rule](#)  
[The Washington Post- Two dozen states, municipalities, sue over Trump's 'conscience' rule](#)  
[Hartford Courant- Tong says Trump administration's new health care rule invites discrimination](#)  
[New York Daily News- New York AG leads 22 states in suit to block Trump administration from allowing doctors and nurses to refuse health care based on religious beliefs](#)  
[CNN- Blue states push back on Trump admin with lawsuits charging health care discrimination](#)  
[Honolulu Civil Beat- Hawaii AG Joins Group Suing Trump Over Health Care](#)  
[NY Post- How state Republicans plan to beat the Democrats](#)  
[BuzzFeed News- States Are Fighting Back Against Trump's New Anti-Abortion, Anti-Trans "Conscience" Rule](#)  
[Politifact- Trump says NY didn't fight SALT cap](#)  
[NY 1- VIDEO](#)  
[News12 Westchester- VIDEO](#)

Double Jeopardy:

[New York Law Journal- NY Legislators Approve 'Double Jeopardy' Legislation Aimed at Trump Pardon Power](#)  
[NY State of Politics- Bill Curbing President's Pardon Power Heads To Cuomo's Desk](#)  
[Newsday- NY moves to end 'double jeopardy loophole' for presidential pardons](#)  
[NBC- New York lawmakers pass bill aimed at weakening Trump's pardon power](#)  
[Talking Point Memo- NY Lawmakers Pass Bill To Change Double Jeopardy Law, Thwart Trump Pardons](#)  
[NY Daily News- New York lawmakers take shot at Trump's pardon power, close 'double jeopardy' loophole](#)  
[New York Times- Albany Closes a Loophole for Trump Pardons. Next Up: His Taxes](#)  
[Huffington Post- New York Lawmakers Take Aim At Potential Trump Pardons](#)  
[Associated Press- NY moves to ensure Trump pardons can't nix state charges](#)  
[Times Union- Democratic lawmakers approve measure curbing Trump's pardon power](#)  
[WSYR \(ABC Syracuse\)- VIDEO](#)

Taxi Medallion:

[CBS New York- De Blasio Orders Investigation Into 'Predatory Practices' By Taxi Medallion Brokers](#)  
[Patch- Probes Of NYC Taxi Industry Launched After Exposé](#)  
[Gothamist-- De Blasio Announces Investigation Into Exploitative Taxi Industry After Years Of Neglect](#)  
[AM New York- Taxi drivers should be exempt from NYC congestion pricing, council members say](#)  
[NY 1- State Attorney General Also Investigating Taxi Industry Practices \(VIDEO\)](#)  
[ABC 7- New York Launches Probes into Practices of Taxi Medallion Brokers \(VIDEO\)](#)

Cryptocurrency:

[Bitcoin Magazine- Tether Partly Backed by Bitcoin, Court Transcription Reveals](#)  
[The Block- Tether admits in court to investing some of its reserves in bitcoin](#)

[Coin Telegraph- Tether Says It Invested Some of Its Reserves into Bitcoin and Other Assets](#)

[Coin Telegraph- Bitfinex and Tether Move for Case Dismissal Over Lack of Jurisdiction](#)

[AMB Crypto- Tether \[USDT\] worth 12 million sent from Tether treasury to unknown wallet](#)

[Block Chain Reporter- Crypto News: Circle CEO Lashes Out at Congress over Lack of Regulation](#)

[Ethereum World News- Bitfinex and Tether \(USDT\) Attempt Dismissal of NYAG Case](#)

All Others:

[Atlantic Black Star- Is Mayor Bill de Blasio's Administration Targeting Black, Latino Communities for Foreclosure?](#)

[Daily Gazette- Tedisco: AG looking at St. Clare's pension crisis](#)

[New York Times- They Hoped the Catholic Church Would Reveal Their Abusers. They Are Still Waiting](#)

[Law 360- Weinstein Co. Demands Say In Sex Abuse Settlement Talks](#)

[27 East- Shinnecock Tribe Continues Billboard Work As Lawsuit With State Looms](#)

[The Guardian- The thorn in Trump's side: New York attorney general leads barrage of investigations](#)

[Cannabis Now- Majority of Attorneys General Call for Passage of SAFE Banking Act](#)

[The Real Deal- Extell just went public with Central Park Tower listings](#)

[Business Insider- Top House Democrat: Reports of Deutsche Bank squashing shady Trump financial transactions 'reinforces the need' for Deutsche to comply with Congress' subpoena](#)

CNN- Blue states push back on Trump admin with lawsuits charging health care discrimination

By: Kate Sullivan

May 22, 2019

Washington (CNN)New York Attorney General Letitia James [filed a lawsuit](#) Tuesday against the Trump administration, arguing that a new regulation would let health care providers discriminate and refuse care to patients based on religious or moral beliefs.

A [news release](#) sent by James' office says she is leading a coalition of 23 states, cities and municipalities suing to block a [Department of Health and Human Services rule](#) that would allow "businesses, including employers, to object to providing insurance coverage for procedures they consider objectionable, and allow individual health care personnel to object to informing patients about their medical options or referring them to providers of those options."

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients -- a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in the release.

"When the health of our residents is at stake, and the safety of vulnerable populations hang in the balance, we cannot rest until this 'health care refusal' rule is stopped," James added.

The lawsuit alleges the federal government could terminate hundreds of billions of dollars in federal health care funding if states or cities fail to comply with this rule. Public health programs that could be impacted, according to the release, include Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention and education, and mental health and substance abuse treatment.

The Department of Health and Human Services did not immediately respond to CNN's request for comment.

The lawsuit is yet another example of Democratic-led states stepping in to protect health care provisions that the Trump administration aims to gut. Democratic attorneys general have banded together in an attempt to defend the Affordable Care Act in federal court against a lawsuit in which GOP-led states are seeking to have the law invalidated. The Trump administration has refused to defend the law and has argued in favor of tossing it as well.

In the new case, New York state was joined by New York City, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, Chicago and Cook County, Illinois.

The rule, which would go into effect in July, "drastically expands the number of providers eligible to make such refusals, ranging from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies," according to the release.

"Under the Rule, a hospital could not inquire, prior to hiring a nurse, if (s)he objected to administering a measles vaccination—even if this was a core duty of the job in the middle of an outbreak of the disease. Or an emergency room

doctor could refuse to assist a woman who arrived with a ruptured ectopic pregnancy, even if the woman's life was in jeopardy," the release reads.

California Attorney General [Xavier Becerra filed a separate lawsuit Tuesday to block the rule](#), saying in a statement that it "harms women, LGBTQ individuals, and threatens our healthcare providers."

"A war is being waged on access to healthcare across our country from Alabama to Texas to Washington D.C., where once again the President and Vice President are issuing illegal rules that use healthcare as a political weapon while risking American lives," Becerra said in the statement.

*CNN's Tami Luhby contributed to this report.*

<https://www.cnn.com/2019/05/21/politics/new-york-coalition-suing-trump-health-care-discrimination/index.html>

## Politico Pro- James seeks to block Trump administration's 'health care refusal' rule

By: Shannon Young

May 21, 2019

New York Attorney General Tish James led nearly two dozen states, cities and municipalities today in challenging [a Trump administration rule](#) that would expand the ability of businesses and employees to refuse to provide health care services that conflict with their religious or moral beliefs.

James [filed a lawsuit](#) in the Southern District of New York to prevent a final rule from the U.S. Department of Health and Human Services from taking effect in July.

The lawsuit alleges that the change would undermine the delivery of health care by allowing a wide range of providers — including ambulance drivers, emergency room doctors and others — to refuse care based on their personal views.

James called the rule "a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country."

"When the health of our residents is at stake, and the safety of vulnerable populations hang in the balance, we cannot rest until this 'health care refusal' rule is stopped," she said in a statement.

The New York AG's office and a coalition of states filed [a March 2018 comment](#) letter urging the then-proposed rule to be withdrawn.

<https://subscriber.politicopro.com/states/new-york/whiteboard/2019/05/21/james-seeks-to-block-trump-administrations-health-care-refusal-rule-9213557>

## Associated Press- States sue over rule allowing clinicians to refuse abortions

By Larry Neumeister

May 21, 2019

NEW YORK – Nearly two dozen states and municipalities sued the federal government Tuesday to stop a new rule that lets health care clinicians decline to provide abortions and other services that conflict with their moral or religious beliefs.

The lawsuit in Manhattan federal court asks a judge to declare the rule unconstitutional and say it was passed in an arbitrary and capricious manner. The rule was issued by the Department of Health and Human Services and is scheduled to take effect in July. San Francisco had previously filed a similar action.

The department has said the rule requires hospitals, universities, clinics and other entities that receive federal funding to certify compliance with some 25 federal laws protecting conscience and religious rights.

Most laws pertain to medical procedures such as abortion, sterilization and assisted suicide.

The department has previously said that past administrations haven't done enough to protect such rights in the medical field.

The suit is being brought by Colorado; Connecticut; Delaware; the District of Columbia; Hawaii; Chicago, Cook County and the state of Illinois; Maryland; Massachusetts; Michigan; Minnesota; Nevada; New Jersey; New Mexico; New York City and state; Oregon; Pennsylvania; Rhode Island; Vermont; Virginia; and Wisconsin.

A spokesman for federal government lawyers declined to comment on the lawsuit.

The city of San Francisco sued over the regulation on May 2, hours after President Donald Trump announced it during a White House Rose Garden speech marking the National Day of Prayer.

New York Attorney General Letitia James said the new lawsuit is meant to stop the federal government from "giving health care providers free license to openly discriminate and refuse care to patients."

She called it a "gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country."

According to the lawsuit, the rule drastically expands the number of health providers who can refuse to provide services, allowing everyone from ambulance drivers to receptionists and customer service representatives at insurance companies to cite the rule.

The lawsuit said the rule conflicts with various state laws requiring health care professionals to carry out certain actions even if they cannot comply with some health-care directives for reasons of conscience.

<https://www.apnews.com/283128836a38414bb502216dd0a08be1>

## Bloomberg- Trump Sued Over Rule Allowing Health-Care Religious Refusals

By: Erik Larson

May 21, 2019

President Donald Trump's administration was sued by almost two dozen states and cities over a federal rule allowing businesses and individuals to refuse health-care services based on their religious beliefs or moral convictions.

The so-called conscience rule will encourage discrimination against women and the LGBT community by limiting access to contraceptive care and abortion as well as services required by transgender Americans, according to complaints filed Tuesday in federal courts in New York and California.

"A war is being waged on access to health care across our country from Alabama to Texas to Washington D.C., where once again the president and vice president are issuing illegal rules that use health care as a political weapon while risking American lives," California Attorney General Xavier Becerra, a Democrat, said in a statement announcing his lawsuit.

New York Attorney General Letitia James also sued, along with a group of states and cities that include Pennsylvania, Hawaii and Chicago, claiming residents will be put at risk. She said the new rule will allow ambulance drivers, emergency-room doctors and customer-service representatives at insurance companies to refuse care in violation of patients' constitutional rights.

The Department of Health and Human Services has said the rule change is needed to protect the religious freedom of employees who may object to some health-care procedures. It's part of a broader cultural clash between the religious right, who helped get Trump elected, and progressives who've been challenging his agenda in court.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients—a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in a statement.

The plaintiffs say they risk losing billions of dollars in federal health-care funding if states and municipalities fail to comply with the change.

Roger Severino, director of the HHS's Office for Civil Rights, said the rule provides enforcement tools for "conscience protection laws" that have been on the books for decades.

"HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments," he said in a statement.

[https://www.bloomberg.com/news/articles/2019-05-21/trump-administration-sued-over-religious-health-care-rule?utm\\_source=google&utm\\_medium=bd&cmpId=google](https://www.bloomberg.com/news/articles/2019-05-21/trump-administration-sued-over-religious-health-care-rule?utm_source=google&utm_medium=bd&cmpId=google)

Reuters- U.S. states, cities sue to block Trump 'conscience' rule for healthcare workers

By: Jonathan Stempel

May 21, 2019

NEW YORK (Reuters) - A coalition of 23 U.S. states and municipalities sued the Trump administration on Tuesday to stop it from enforcing a rule that would make it easier for doctors and nurses to avoid performing abortions on religious or moral grounds.

The lawsuit led by New York Attorney General Letitia James said the expanded "conscience" protections could undermine the ability of states and cities to provide effective healthcare without jeopardizing billions of dollars a year in federal aid.

It also said the rule would upset legislative efforts to accommodate workers' beliefs while ensuring that hospitals, other businesses and staff treat patients effectively.

Sterilizations and assisted suicide are among other medical procedures that might be affected, according to the complaint filed in federal court in Manhattan.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients," James said in a statement.

The rule is scheduled to take effect on July 22. It will be enforced by the U.S. Department of Health and Human Services.

Roger Severino, director of HHS' Office for Civil Rights, said in a statement: "The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades. HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments. We will defend the rule vigorously." President Donald Trump, a Republican, has made expanding religious liberty a priority, and the proposed rule drew support from anti-abortion activists.

Critics, including some civil rights medical groups, have said the rule could deprive some patients, including gay and transgender people, of needed healthcare because they might be deemed less worthy of treatment.

The lawsuit said the rule could even prevent hospitals from asking applicants for nursing jobs whether they opposed giving measles vaccinations, even during an outbreak.

So far in 2019, the worst U.S. measles outbreak in a quarter century has sickened 880 people, the U.S. Centers for Disease Control and Prevention said on Monday.

The 23 plaintiffs in Tuesday's lawsuit are led by Democrats or often lean Democratic.

They also include New York City, Chicago and Washington, D.C.; the states of Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Wisconsin; and Cook County, Illinois.

Hundreds of lawsuits by Democratic-leaning states and municipalities have targeted White House policies under Trump.

The case is New York et al v U.S. Department of Health and Human Services et al, U.S. District Court, Southern District of New York, No. 19-04676.

<https://www.reuters.com/article/us-usa-healthcare-religion-lawsuit/u-s-states-cities-sue-to-block-trump-conscience-rule-for-healthcare-workers-idUSKCN1SR2DV>

The Washington Times- Blue states sue over Trump's 'conscience' rule for health workers

By: Tom Howell Jr.

May 21, 2019

Blue state leaders filed suit Tuesday against a Trump administration rule that shields doctors or nurses who object on religious grounds to participating in abortions or other medical procedures.

The lawsuit says the conscience protections, which thrilled President Trump's pro-life base, are overly broad and could undermine care, while threatening billions of dollars in federal aid if states and cities refuse to comply.

"This change to put providers above patients comes at a dangerous price: it will undermine the plaintiffs' ability to administer their health care systems and deliver patient care effectively and efficiently," the lawsuit says. New York Attorney General Letitia James, who is leading the lawsuit, wants federal judges in the Southern District of New York to enjoin the rule, before it takes effect this summer.

President Trump broadcast the new rule during a National Day of Prayer celebration at the White House, portraying it as his latest effort to safeguard religious liberty.

Under the rule, doctors and health care entities would not be forced to make referrals or provide, pay for or offer coverage of procedures like abortion, sterilization or assisted suicide if it violates their beliefs.

Hospitals, universities and other facilities receiving federal money must verify they are complying with 25 federal statutes that preserve conscience and religious-freedom rights, officials said. The government may strip them of funding if they fail to do so.

The Health and Human Services Department says the rules are designed to make sure hospitals, clinics and other providers do not skirt existing laws designed to protect providers who object to offering certain services.

Yet Ms. James' office said the rule "drastically expands the number of providers eligible to make such refusals, ranging from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies."

She also argued health care facilities will have no recourse when health-care workers reject an employer's attempt to accommodate their religious beliefs.

Opponents of the rule are particularly worried the rule could strip services from women and LGBTQ patients.

The suing states say they face the "Hobson's choice" of altering their standards of care or risking the loss of federal funds.

"This financial exposure could amount to hundreds of billions of dollars each year," the lawsuit said, adding that racial and ethnic minorities will be disproportionately harmed by the loss of federal money.

Ms. James argues the rule takes an end-run around Congress' power over the purse, and violates the Constitution's establishment clause by forcing health providers to "accommodate the religious objections of their employees, whatever the cost."

The Justice Department declined to comment on the suit, though HHS said its rule was carefully vetted.

"The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades," said Roger Severino, director of the HHS Office of Civil Rights.

"HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments. We will defend the rule vigorously," he added.

Besides New York state, plaintiffs joining the lawsuit include the City of New York, Colorado, Connecticut, Delaware, D.C., Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois.

<https://m.washingtontimes.com/news/2019/may/21/blue-states-sue-over-trumps-conscience-rule-for-he/>

CT Mirror- CT enters legal tussle over Trump administration's 'conscience rule'

By: Jenna Carlesso

May 21, 2019

Connecticut is joining nearly two dozen other states in suing to block an expanded Trump administration policy that shields health care workers who oppose abortion, assisted suicide, sterilization and other procedures on religious or moral grounds.



The so-called conscience rule allows workers to refuse medical treatment to people, even during emergency situations. The mandate would dramatically expand the number of providers eligible to make refusals, including ambulance drivers, emergency room doctors, receptionists and customer service representatives at insurance companies, and establishes guidelines for punishing institutions with the loss of federal funds if they fail to honor the rights of such workers. “This rule is yet another politically motivated attack on the health of the American people – particularly women and LGBTQ individuals who already face needless hurdles accessing health care,” state Attorney General William Tong said Tuesday. “While the Trump administration panders to an anti-choice and homophobic fringe, patients’ lives are at risk. This rule is dangerous, wrong and unlawful.”

Some organizations have already expressed fear that the order could endanger access for people seeking reproductive health care, lead to discrimination against gay or transgender patients and hinder a push to expand childhood vaccinations.

Under the rule, a hospital would be unable to inquire, prior to hiring a nurse, if he or she had objections to administering a measles vaccine, even if it was a core duty of the job, Tong said. An emergency room physician could refuse to assist a female patient with a ruptured ectopic pregnancy, even if the woman’s life was in jeopardy.

The edict also would permit employers to refuse insurance coverage for procedures they consider objectionable, and allow health care workers to avoid informing patients about their medical options.

The lawsuit, led by New York Attorney General Letitia James, charges that the rule violates the federal Administrative Procedures Act and the spending clause and separation of powers principles in the U.S. Constitution. Twenty-one other cities and states, including Delaware, Michigan, Minnesota and Washington D.C., are plaintiffs in the lawsuit. In Connecticut, the mandate conflicts with state statutes and regulations that require providers to offer care in emergency scenarios, to obtain informed consent from patients before providing or denying care, and to arrange for care when providers are unable to offer treatment based on personal or ethical reasons.

“We take pride in everything we’ve done to protect the rights of women and other marginalized groups, particularly when it comes to ensuring that government will not get in the way of a woman having the ability to make her own medical decisions,” Gov. Ned Lamont said in a statement. “This rule infringes on the sovereign right of states to ensure that patients are receiving accurate and complete medical advice and care, free from any personal or religious biases.”

<https://ctmirror.org/2019/05/21/ct-enters-legal-tussle-over-trump-administrations-conscience-rule/>  
Hartford Courant- Tong says Trump administration’s new health care rule invites discrimination

By: Josh Kovner

May 21, 2019

Sensing danger in a Trump administration move to relax protections against discrimination in health care, Connecticut Tuesday joined a group of 23 states and cities in a federal lawsuit to block the erosion of those safeguards.

The U.S. Department of Health and Human Services has endorsed a rule, effective in July, that would allow health providers and employees to refuse to provide treatment based on someone’s “religious beliefs or moral convictions,” according to a lawsuit filed by New York Attorney General Letitia James.

Connecticut Attorney General William Tong has followed New York’s lead, saying the rule “panders to an anti-choice and homophobic fringe,” and endangers people, particularly women and LGBTQ individuals, “who already face needless hurdles [in] accessing healthcare.”

The rule grants a wide range of health care institutions and individuals a right to refuse care, based on the provider’s own personal views.

But New York, Connecticut and the other coalition members allege the expansion is far too broad, enabling ambulance drivers, emergency room doctors, and even receptionists and customer service representatives at insurance companies to deny care.

In contrast, said Tong’s office, Connecticut requires that health care professionals provide care in emergency situations,

obtain informed consent from patients before providing or denying care, and to arrange for alternative care when providers are unable to offer treatment for personal or ethical reasons.

Joining New York and Connecticut in filing the lawsuit are the City of New York, Colorado, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois. The federal lawsuit, filed in the Southern District of New York, seeks to prevent the rule from going into effect.

The rule would also prohibit hospitals from fully vetting certain key employees, Tong's office said in a news release Tuesday.

For example, a hospital could not ask a prospective nurse if he or she "objected to administering a measles vaccination—even if this was a core duty of the job in the middle of an outbreak of the disease."

The rule would allow an emergency room doctor "to refuse to assist a woman who arrived with a ruptured ectopic pregnancy, even if the woman's life was in jeopardy," Tong's office said.

Gov. Ned Lamont said a rule expanding the opportunity to deny care doesn't sit well in a state that takes "pride in everything we've done to protect the rights of women and other marginalized groups." He said this was particularly true "when it comes to ensuring that government will not get in the way of a woman having the ability to make her own medical decisions."

Under the rule, the federal government could terminate funding to those states and cities it deems to be in non-compliance. Tong's office said that could mean billions of dollars in lost funding for Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention, and substance abuse treatment.

<https://www.courant.com/news/connecticut/hc-news-tong-sues-trump-health-discrimination-20190521-5fmhxjxukbf7piwmogir76v3iy-story.html>

## [AMB Crypto- Tether \[USDT\] worth 12 million sent from Tether treasury to unknown wallet](#)

By: Akash Girimath

May 21, 2019

Tether has been the center of rumors and speculation for a long time; however, the rumors and speculations reached a peak when NYAG, Letitia James, filed a lawsuit against Bitfinex and Tether for defrauding investors by covering up losses. The lawsuit might have subsided after the new injunction by New York Supreme Court, but it is likely to resurface again. As per data obtained from CoinMarketCap, the market cap of Tether increased by a couple hundred million in the past month, which adds fuel to the rumor surrounding the exchange. Moreover, about 12 million USDT was moved from Tether Treasury to unknown wallets as seen on Ether Scan.

The funds were split into two transactions, ~5 million USDT and ~6.7 million USDT sent from a single wallet 5754284f345afc66a98fbb0a0afe71e0f007b949 to wallet b1fa690155821bf9191d609593b556048aca517c and 7c7019a8a4e8f0b900b88a3efca951b73afab9e8. The sender has a balance of 42 million USDT.

In addition, the above chart by CoinMarketCap shows how the market cap of Tether [also circulating supply] has increased by over a \$300 million in a month, i.e., \$2.6 billion to \$2.9 billion.

Moreover, according to The Block, Tether also admitted in court to investing some of its reserves in Bitcoin. The article stated:

"Prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin."

<https://ambcrypto.com/tether-usdt-worth-12-million-sent-from-tether-treasury-to-unknown-wallet/>

## [New York Daily News- New York AG leads 22 states in suit to block Trump administration from allowing doctors and nurses to refuse health care based on religious beliefs](#)

By: Dave Goldiner

May 21, 2019

New York Attorney General Letitia James is leading a coalition of states suing to block a planned move to give health care workers more latitude to refuse to treat patients over their personal opposition to procedures from measles shots to birth control.



The lawsuit seeks to roll back a new federal "Final Rule" permitting hospitals or individual doctors and nurses freedom to use their own religious beliefs as an excuse to not offer needed medical treatment.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients," James said in a statement. "(It's) a gross misinterpretation of religious freedom that will have devastating consequences."

President Trump and fellow Republicans defend the rule as a way of insuring that the religious freedom of health care providers is respected.

They often compare the issue to that of merchants who refuse to serve LGBT clients because of their religious objection to homosexuality.

James says the new rule, which is scheduled to go into effect in July, would lead to anti-vaxxer nurses refusing to administer measles inoculations or emergency room doctors failing to perform lifesaving procedures on pregnant women. It would "vastly expand" so-called religious-freedom exceptions to include people like doctor's office receptionists and insurance agents to steer patients away from treatments they object to.

The rule would allow the federal government to deny billions of dollars in health care aid to states or cities that don't abide by the edicts. The lawsuit against the Health and Human Services Department was filed in Manhattan Federal Court.

<https://www.nydailynews.com/news/politics/ny-tish-james-trump-final-rule-health-refusal-to-care-measles-abortion-20190521-5elb4avpczcofhgp7uqpaxicwq-story.html>

## Block Chain Reporter- Crypto News: Circle CEO Lashes Out at Congress over Lack of Regulation

By: Anna Larsen

May 21, 2019

Bitcoin was designed with principles of decentralization as its core ideology which means that cryptocurrencies weren't meant to be regulated by any central authorities in any way. As both cryptocurrencies and blockchain technology are still in the early stages authorities are struggling to settle on a regulatory path. The United States doesn't yet have a systematic approach to the regulation of cryptocurrencies. Recently Jeremy Allaire, CEO and founder of Circle, a major Bitcoin wallet service, spoke on the matter in the company's official blog.

### Geofencing kills trade

The CEO claimed that this post was driven by the company's recent decision to "Geofence" 9 digital assets on crypto exchange Poloniex to US customers. He stated that he was "deeply frustrated" over the need for this action but it was a direct result of the recent guidance where regulators take a broad view of what is considered a security i.e.; anything that is tradeable online. Allaire believes that the regulators have failed to keep up with blockchain innovation and he is directly charging congress.

The Blog stated:

"We believe that digital assets represent a fundamental(ly) new class of financial instrument that defies simple classification as security, commodity, or currency. Many digital assets occupy one, two, or all three depending on their context and use. Innovative technologies deserve new regulatory frameworks, and we will continue to advocate for change. But without Congressional action, the Securities and Exchange Commission is forced to rely on 85-year-old laws and 73-year-old court cases to develop guidance about which digital assets might be considered securities. These laws are inadequate to address crypto—which doesn't easily fall into established categories—and as a result, the SEC guidance isn't easy or straightforward to interpret."

Crypto Entrepreneurs are currently facing a lot of problems due to the lack of regulations. The SEC is inclined to enforce existing securities laws more broadly than it was intended. Regarding the recent SEC guidance, Allaire said it has created "more questions than answers." It is pretty clear that Congress needs to be doing something to consider digital assets anything other than a security. Regardless of that, the US securities commission has displayed a positive approach towards cryptocurrencies by addressing the world's two most popular cryptocurrencies; Bitcoin & Ethereum as not being Securities.

## Lack of regulations causing trouble for crypto enthusiasts

The lax attitude of regulatory bodies has resulted in a steady rise of various crypto-based crimes. There have been numerous cases of fraud via fake ICOs (Initial coin offerings) where the company just goes dark after the sale, false crowdfunding ventures that promise huge gains to the public, fake exchanges and crypto-based applications. Exchange hacks are another one of the recent problems that have peaked. As previously reported by the Blockchain Reporter, New Zealand-based cryptocurrency exchange Cryptopia was hacked this January where the firm lost \$2.5 million worth of ether. Similarly, in 2018, crypto exchange CoinCheck recorded a gigantic loss of \$533 million to hackers.

Recently the **New York attorney general** accused Bitfinex and its affiliate Tether Ltd. of covering up the \$850 million loss. Tether is one of the worlds most traded cryptocurrency because of its close to dollar value and stability. The acquisition raised many doubts. One can thus see the importance of having uniform regulations towards these fairly new technologies.

## Congress and Cryptocurrencies

It looks like the Congress isn't sure about how to approach regulation of cryptocurrencies. More than a dozen bills were introduced in the first three months of 2019. They seem to be eager to take on cryptocurrency regulation. Some of them aren't. Like Brad Sherman, a Californian Democrat who wanted the US to introduce a bill which would Barr all US Citizens from purchasing cryptocurrencies. Ultimately the Congress has the power to regulate Cryptocurrencies under its exclusive constitutional power "to coin money" and "regulate the value thereof." Thus it is their decision on how the United States deals with the currency of the future. The technology is not going away anytime soon as people have started recognizing its true potential so the Congress must figure out a way to make it happen.

<https://blockchainreporter.net/2019/05/21/crypto-news-circle-congress-regulation/>

## BuzzFeed News- States Are Fighting Back Against Trump's New Anti-Abortion, Anti-Trans "Conscience" Rule

By: Dominic Holden

May 21, 2019

WASHINGTON — Two dozen Democratically led states, counties, and cities sued on Tuesday to overturn a new Trump administration rule that would protect health care workers who refuse medical procedures — like abortion, assisted suicide, or sex reassignment surgery — if it violates their "conscience."

An 80-page complaint in federal court in Manhattan argues the policy could have dire effects for patients, particularly low income people of color, women, and LGBT people who disproportionately rely on government-backed health care systems.

The Department of Health and Human Services' final rule is scheduled to take effect in July, and if implemented, it would cut off federal funds to institutions that prevent health care workers from recusing themselves on religious grounds. The plaintiffs allege this is an attempt coercion, overstepping the federal government's authority and saying the "financial exposure could amount to hundreds of billions of dollars each year" for governments that use federal funding for their health care systems.

Workers could opt out of performing services without any advance warning to their employers, which would be banned from asking employees about religious objections in advance, the lawsuit says. They argue this undermines their own government-run healthcare systems, which including hospitals and health care agencies, by conflicting with local policies that ban discrimination.

"This change to put providers above patients comes at a dangerous price," says the complaint in New York.

For example, court documents say, "If a woman arrives at the emergency room of one of Plaintiffs' institutions presenting with a ruptured ectopic pregnancy, the Final Rule would permit a wide swath of employees — from receptionists to nurses to doctors to pharmacists to anesthesiologists — to refuse to assist that patient in real time, and without any advance notice, no matter the intense medical risk to the patient."

They also contend employers could not ask if job applicant for a "nursing position had a religious objection to administering a measles vaccination, regardless of whether such a duty was a core element of the position needed during an outbreak of the disease."

New York Attorney General Letitia James, who led the lawsuit, said in a statement Tuesday, "The federal government is giving health care providers free license to openly discriminate and refuse care to patients — a gross misinterpretation of

religious freedom that will have devastating consequences on communities throughout the country.”

Meanwhile, California Attorney General Xavier Becerra filed a second lawsuit on behalf of his state on Tuesday, saying the rule would let providers “deny service on the basis of a hunch or prejudice.”

James, Becerra, and other plaintiffs contend the rule violates the Administrative Procedure Act, because it is arbitrary, capricious, and an abuse of discretion. They add the rule violates the Spending Clause, which says states cannot be financially coerced into adopting preferred federal policies, while elevating certain religious beliefs above others in violation of the Establishment Clause of the First Amendment.

They are asking a US District Court judges in the Southern District of New York and the Northern District of California to issue orders permanently blocking the rule from taking effect.

Roger Severino, director of HHS’s Office for Civil Rights, promised to “defend the rule vigorously.”

“The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades,” he said in a statement that says the agency considered more than 242,000 public comments before issuing the final rule. The policy was first proposed in January 2018, along with the launch of HHS’s new Conscience and Religious Freedom Division, which was created by the Trump administration.

The rule specifically protects “providers, individuals, and other health care entities from having to provide, participate in, pay for, provide coverage of, or refer for, services such as abortion, sterilization, or assisted suicide.”

Although the new rule does not refer to transgender people explicitly, it protects providers who refuse them certain services. The rule cites the 1973 Church Amendment, which protects federal funding for recipients who object to sterilizations.

This allows providers to deny hormone therapy, hysterectomies, orchiectomies, and other transition-related services for transgender people that could result in sterilization, said Gillian Branstetter, a spokesperson for the National Center for Transgender Equality.

“Communities of color and other vulnerable populations will bear a disproportionate burden of the harms caused by the Final Rule,” says the complaint filed in New York by the states and cities. “Patients reliant on federal funding for the provision of health care are disproportionately non-white compared to the overall population. And women and LGBTQI individuals who are already stigmatized in obtaining access to health care will be further hindered in obtaining the lawful medical services they need.”

In addition to New York state, the lawsuit filed there was joined by New York City; Chicago; Washington, DC; and Cook County, Illinois. The states include Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin.

<https://www.buzzfeednews.com/article/dominicholden/states-lawsuit-trump-conscience-rule-abortion-lgbt>

## New York Times- Albany Closes a Loophole for Trump Pardons. Next Up: His Taxes

*The Legislature is poised to pass a bill that would allow three congressional committees to seek the release of President Trump’s state tax returns*

By: Jesse McKinley

May 21, 2019

The New York State Assembly passed a bill on Tuesday that would allow state prosecutors to pursue charges against any individual granted a presidential pardon for similar federal crimes, closing a loophole that lawmakers said could be exploited by President Trump in a bid to indemnify former associates.

The bill, which has already passed the State Senate and has [the support of Gov. Andrew M. Cuomo](#), would exempt the state’s so-called double jeopardy law from cases involving presidential pardons, something supporters say is necessary to stave off a possible abuse of Mr. Trump’s pardon power.

On Wednesday, the Legislature — controlled by Democrats — is expected to pass [a separate bill](#) that would allow three congressional committees to seek Mr. Trump’s state tax returns; that bill also has the support of Mr. Cuomo, a Democrat in his third term.

The legislative efforts may prove a viable way to circumvent the White House's stonewalling of attempts by the House of Representatives to investigate behavior of the Republican president and his subordinates. On Tuesday, Donald F. McGahn II, the former White House counsel, [ignored a House subpoena](#) to testify on attempts to obstruct the investigation into Russia's involvement in the 2016 election.

Paul J. Manafort, the president's former campaign chairman, is perhaps the most prominent [Trump associate](#) to be convicted and for whom a presidential pardon is considered a possibility. In March, the Manhattan district attorney's office [charged Mr. Manafort](#) with mortgage fraud and more than a dozen other state felonies; in 2018, Mr. Manafort [was convicted](#) of a raft of federal charges including tax fraud and bank fraud.

Like about two dozen other states, New York has forbidden state prosecutions on similar charges after a federal pardon, something that the new bill will change, according to Senator Todd Kaminsky, a former federal prosecutor who is the sponsor in that chamber.

"Either in the past or in a continuing manner, the president has talked about using the pardon power in a corrupt way to undermine the rule of law," Mr. Kaminsky said. "And I think New York doesn't have to sit by and let the capricious use of the pardon power tie its hands."

Republican lawmakers and leaders in New York have called the efforts "bills of attainder," aimed at a single person, and attacked them again on Tuesday.

"We're asked to set aside that fundamental concept of fairness and equity, not because we're faced with any actual situation, but a hypothetical situation," said Assemblyman [Andy Goodell](#), a Republican from Jamestown, N.Y.

That argument was echoed by the outgoing state Republican Party chairman, [Edward F. Cox](#), who said that the State Legislature was suffering from "Trump derangement syndrome."

"They should be focusing on people in New York State, and what they need," Mr. Cox said.

Republican ire was likely to be raised on Wednesday, too, as both the Assembly and the Senate planned [to pass the bill](#) creating a pathway for Congress to seek Mr. Trump's state tax returns, which are likely to contain much of the same financial information as the president's contested federal returns. New York is the president's home state and the headquarters of his business.

Efforts to obtain Mr. Trump's federal tax returns have been repeatedly thwarted by the president's refusals to release them, citing pending audits. That intransigence hit new heights in recent months, as the White House has [defied congressional](#) subpoenas and has said that Democrats will ["never" see his returns](#).

The White House had no immediate comment on the New York bills.

In remarks on the chamber floor before the vote, Assemblyman Joseph Lentol, a Democrat from Brooklyn, called passage of the double jeopardy bill a victory for states' rights amid federal defiance.

"It has to do with presidential power, period," Mr. Lentol said, adding, "This new law will confront any president, not just this one, who thinks that he or she can get away with washing away illegal behavior."

Neither of the two bills specifically mentions Mr. Trump, though lawmakers have not been shy about their intentions to pursue the president's financial information. There have also been efforts to avoid legal challenges, including several recent amendments to narrow the state tax bill's focus to public officials, employees or officials in the federal executive branch, as well as other holders of government posts and political party leaders.

Senator Brad Hoylman, the sponsor of the tax-related bill, said New York "has clear authority to pass such legislation," casting it as an effort to assist congressional oversight of the president.

"It's possible Congress will acquire Trump's tax returns on their own," Mr. Hoylman said. "But I'd like to think that the State of New York is doing its part."

After the vote on the double jeopardy bill, the state attorney general, Letitia James, thanked Mr. Lentol and Mr. Kaminsky in a news conference at her office in Albany. Ms. James, a Democrat whose predecessor, Eric T. Schneiderman, had [initially floated](#) closing the loophole, denied that the Legislature's action was a politically motivated attack on the Trump administration.

"They are using pardons as a means of obtaining one's loyalty," Ms. James said. "And that is an abuse, as far as I'm concerned."

<https://www.nytimes.com/2019/05/21/nyregion/trump-tax-return-bills-new-york.html>

## [Newsday- NY moves to end 'double jeopardy loophole' for presidential pardons](#)

By: Michael Gormley

May 21, 2019

ALBANY — The Assembly gave final legislative approval Tuesday to a bill that would allow prosecutors to bring state charges against a U.S. president and his associates who are accused of federal crimes and receive presidential pardons.

The bill is aimed at President Donald Trump, who has talked about pardoning loyal supporters as well as himself amid several investigations into his 2016 campaign, his actions in office, and his development company based in Manhattan. The bill passed the Assembly 90-52. The State Senate passed it in May. Both votes were along party lines.

"Our objective is abuse of power ... to root out corruption and abuse of presidential power," said Assemb. Joseph Lentol (D-Brooklyn), the bill's sponsor in Tuesday's floor debate.

The bill would end a "double-jeopardy loophole" in state law that has prohibited New York prosecutors from charging people with state crimes similar to the federal crimes for which they were pardoned. It isn't retroactive to Trump allies already convicted of crimes.

"The threatened use of the pardon power in a corrupt way by this president certainly raised an important issue of why New York has a loophole tying its hands," said Sen. Todd Kaminsky (D-Long Beach), who led the effort in the Senate.

The bill seeks to separate a presidential pardon on federal crimes from state crimes.

"While the president has broad power to issue reprieves, pardons and other forms of clemency for federal offenses pursuant ... the power does not extend to granting clemency for state offenses," the bill states.

Republicans warned that the bill is a slippery slope that could erode many peoples' right against prosecution twice for the same crime.

"It's very easy to look at this in a very narrow sense," said Assemb. Edward Ra (R-Franklin Square). "But we all know laws have much broader implications than that, and we are really setting, to me, a very dangerous precedent."

"It is using New York state taxpayers' money for political causes, and not doing one thing to take people out of poverty, not one thing to create a job, not one thing to reduce taxes in our state," said Assembly Republican leader Brian Kolb (R-Canandaigua). "I think it's deplorable."

Gov. Andrew M. Cuomo supports the principle of the measure, but will want to review details of the bill before committing to signing it into law, said Cuomo spokesman Jason Conwall.

It is the latest of several efforts by New York Democrats to investigate Trump and his associates. The Assembly and the Senate are expected to pass a bill Wednesday that will allow Congress access to Trump's state tax returns. Trump has refused to release his federal tax returns, which Democrats said are important to determine whether Trump has conflicts of interest between his presidency and his private development company, the Trump Organization.

Attorney General Letitia James also is using state laws to investigate Trump's company.

<https://www.newsday.com/news/nation/legislature-double-jeopardy-trump-1.31386956>



## Times Union- Democratic lawmakers approve measure curbing Trump's pardon power

### Legislation narrows New York's double jeopardy 'loophole'

By: David Lombardo and Brendan J. Lyons

May 21, 2019

ALBANY — State lawmakers broke along party lines and have passed legislation designed to curb the pardon power of President Donald Trump.

The legislation would narrow New York's double-jeopardy laws to increase the ability of state and local prosecutors to take up cases that have already been resolved at the federal level. It was approved 90-52 in the Assembly on Tuesday with staunch backing from Democrats, and had passed the state Senate earlier this month without any Republican support.

The proposal takes specific aim at the president's powers and the amended law would apply to a pardoned individual who is related to the president, worked in the White House, served on the president's campaign, committed crimes to benefit the president, or helped the president avoid a criminal prosecution.

Assembly Democrats initially resisted passing the legislation in its current form because they believed it was too narrowly written, according to Assembly Joseph Lentol, a Brooklyn Democrat who sponsors the measure.

"You can't win in this business," he said. "Last year we had a very broad bill, and a lot of people complained because it was too broad."

On Tuesday in the Chamber, Lentol threw his support to the measure.

"This is time for change and when the federal government stumbles and does nothing, than the state of New York will fly into action," Lentol said. "This new law will confront any president, not just this one, who thinks he or she can wash away illegal behavior of some type."

Assemblyman Andy Goodell, a Republican from Chautauqua County, said the legislation would undo a century of legal precedent in New York affording double-jeopardy protections. He also noted that last year Gov. Andrew M. Cuomo had issued dozens of pardons, many to immigrants who could still be charged with federal crimes.

"Isn't this opening a Pandora's Box where you poke the president and now the president could respond ... by re-arresting 20 of the 29 people that were pardoned by Gov. Cuomo?" Goodell asked, adding that the pardons of the governor and president should be respected, not thwarted.

Another bill that will move to a vote in the Assembly Wednesday would allow the state tax department to turn over copies of the president's state tax returns to a congressional committee conducting an investigation.

Assemblyman John McDonald, D-Cohoes, was among the 52 Assembly members to vote "no" on the double-jeopardy measure.

"It just looks like we're playing politics with the state government. Let's face it, the only reason we're talking about these two bills is because of who currently occupies the White House," McDonald said. "I am not a fan of the current president, however, my focus is on my constituents. People need housing, they need jobs, they need food, they need affordable college, a solution to the opioid crisis and they want their taxes lowered. This does not help that."

Assemblywoman Mary Beth Walsh, R-Ballston, noted before voting "no" that the New York Civil Liberties Union issued a letter opposing the legislation.

"I don't see how we should really be supporting this and I will not be supporting it," she said.

Assemblyman Michael Blake, D-Bronx, was more blunt in his commentary on the bill's intention to target Trump if he seeks to pardon people close to him.

"We are in an environment where we are dealing with a criminal in the White House," Blake said. "You cannot allow for such behavior to continue without responsible leadership."

Despite the legislation's specific references to the president's family and close associates, state Attorney General Letitia James, who crafted the language, says it was tailored for anyone. The bill is less expansive than the proposal lawmakers



failed to pass during last year's session, despite a public push from Cuomo.

If the governor signs the measure into law, the changes would take effect immediately and apply to future criminal offenses or cases that haven't begun.

The state's double-jeopardy laws came under scrutiny last year with the convictions of Trump campaign manager Paul Manafort and longtime Trump attorney and fixer Michael Cohen. Critics of the president raised concerns he may pardon one or both men, but he hasn't. Trump said that Cohen, who subsequently turned on his former patron, had asked White House attorneys to consider giving him a pardon and that Cohen later lied about that effort to Congress. On Wednesday, Democrats in both house of the state Legislature are expected to sign off on the legislation enabling congressional Democrats to get their hands on Trump's state tax returns.

<https://www.timesunion.com/news/article/Democratic-lawmakers-approve-measure-curbing-13867394.php>

### Huffington Post- New York Lawmakers Take Aim At Potential Trump Pardons

*The state Assembly voted to permit authorities to bring state charges against individuals who have received presidential pardons.*

By: Antonia Blumberg

May 22, 2019

New York state lawmakers on Tuesday passed legislation tightening a "double-jeopardy loophole" that could undermine potential pardons by President Donald Trump.

The state Assembly passed a measure that would permit authorities to bring state charges against individuals who have received presidential pardons for similar federal crimes.

"Our democracy survives because we have checks and balances," Assemblyman Tom Abinanti (D) said during Tuesday's vote, according to Courthouse News' Adam Klasfeld.

The bill heads now to Democratic Gov. Andrew Cuomo's desk for a signature.

Proponents of the bill say it's necessary to ensure that state investigations into Trump, his family and associates aren't derailed by potential presidential pardons.

"Right now the president's threatened use of the pardon power is very troubling. It would be done to undermine an investigation to help out friends and family members," state Sen. Todd Kaminsky, who sponsored the bill, told NPR on Tuesday.

New York Attorney General Letitia James, who spearheaded the effort to change the loophole, applauded the bill's passage on Tuesday.

"Double jeopardy exists to prevent someone from being charged twice for the same crime, not to allow them to evade justice altogether," James wrote.

Last summer, Cuomo pledged to sign legislation closing the double jeopardy loophole "the same day" lawmakers passed it.

"New York must have the ability to stand up against the abuse of power," Cuomo wrote in August.

The governor referenced Paul Manafort, Trump's former campaign chairman, who was indicted for tax and bank fraud as well as conspiracy. The president has hinted at a potential pardon for Manafort for the federal charges. The bill passed by New York's Assembly on Tuesday would essentially ensure Manafort could still be prosecuted for the state charges.

The state legislature is poised to pass another bill Cuomo supports on Wednesday that would authorize state officials to release Trump's state tax returns to Congress.

[https://www.huffpost.com/entry/new-york-double-jeopardy-loophole\\_n\\_5ce47b49e4b0d513447c06d5](https://www.huffpost.com/entry/new-york-double-jeopardy-loophole_n_5ce47b49e4b0d513447c06d5)

## NY Daily News- New York lawmakers take shot at Trump's pardon power, close 'double jeopardy' loophole

By: Denis Slattery

May 21, 2019

ALBANY — A presidential pardon won't be enough to keep those close to President Trump out of trouble in New York. State lawmakers passed a measure Tuesday that will allow prosecutors to pursue state charges against a select group of people who have received a presidential pardon on federal crimes.

The bill would allow state prosecutors to open or advance investigations into any pardoned person who served in a president's administration, worked directly or indirectly to advance their campaign or transition, or worked at a non-profit or business controlled by the president and whose alleged criminal activity took place in New York.

Attorney General Letitia James said the measure "ensures that in the event that a person receives a presidential pardon based on a close relationship or self-interest, New York would preserve its authority to pursue legal action against that individual for crimes committed under state law.

"This legislation is a commonsense, good government measure that will ensure a reasonable check on the presidential pardon power for not only this president, but all future presidents," James added.

The Attorney General's office has launched several probes into the president, his businesses, charities and associates. Trump's business empire and campaign are both based in the Big Apple.

James' office has led probes into the Trump Foundation that resulted in the dissolution of the president's non-profit charity and another that led to subpoenas being sent to Deutsche Bank and Investors Bank for financial information related to the president, including his 2014 efforts to purchase the Buffalo Bills.

Currently, state prosecutors cannot bring charges based on the same facts used to convict individuals of federal crimes for which they received pardons, creating a so-called "double-jeopardy" loophole.

Sen. Todd Kaminsky (D-Nassau), a former federal prosecutor, said the bill would cover pardons when there is a "clear conflict of interest" when the defendants is a former or current staff member, appointee or family member.

"New York will now join about 24 other states that will have its law say that a presidential pardon does not restrict it from pursuing crimes that are committed within its own borders," Kaminsky said.

The Democrat-led state Assembly passed the measure by a 90 to 52 margin, sending it to Gov. Cuomo, who is expected to sign it into law. The Senate approved it last week.

Republican Assemblyman Andy Goodell (D-Jamestown) questioned the constitutionality of the legislation during a debate with sponsor Joe Lentol (D-Brooklyn).

"Today we're being asked to overturn nearly 100 years of New York state history where we as a state have recognized the fundamental unfairness of double jeopardy," Goodell said.

Lentol admitted that the bill covered new ground for state lawmakers, but argued that they were well within their rights to close the loophole.

"We haven't been on this landscape where we as a state had to look at what the federal government was doing, specifically the president with regards to using the pardon power... and we tried to tread very carefully, because we didn't want to target the president we wanted to target the abuse," Lentol said.

<https://www.nydailynews.com/news/politics/ny-double-jeopardy-trump-pardon-albany-legislation-20190521-ccl4mqddqzgyndttfndw4es7hy-story.html>

## NBC- New York lawmakers pass bill aimed at weakening Trump's pardon power

By: Allan Smith

May 21, 2019

New York state lawmakers passed a measure Tuesday that would allow prosecutors to pursue state charges against certain individuals even if they have received a presidential pardon, a move seen as a direct shot at President Donald Trump.

New York's state Assembly passed the measure — which creates a narrow exception in the state's double-jeopardy law — by a 90-52 vote. New York law currently prohibits the state from prosecuting a person who has already been tried for the same crime by the federal government. The bill would make it easier for prosecutors in certain circumstances to pursue a case against someone who has received a presidential pardon for the federal conviction.

The exception would allow state prosecutors to open or advance investigations into any pardoned individual who served in a president's administration, worked directly or indirectly to advance their campaign or transition, or worked at a non-profit or business controlled by the president and whose alleged criminal activity took place in New York state. The exception also allows for investigations to be opened or continued into anyone who was pardoned for the president's benefit.

The change was backed by New York Attorney General Letitia James, who is investigating Trump and his family members, and Democratic Gov. Andrew Cuomo, who has indicated he will sign the bill. Prosecutors and lawmakers who back the bill said the measure is necessary to ensure that investigations into the president, his associates and his business taking place at the state level are not derailed by pardons.

James, who led the charge to get the double-jeopardy law changed, tweeted soon after the bill's passage that double jeopardy "exists to prevent someone from being charged twice for the same crime, not to allow them to evade justice altogether."

"The rule of law is a core pillar of our nation's democracy and my primary role is to uphold it and ensure that no one is above it," she added.

James has multiple Trump-related investigations open at the moment, including the probe into the Trump Foundation that led to the dissolution of the president's charity and an investigation that involved James subpoenaing Duetsche Bank and Investors Bank for information on a set of major Trump Organization projects and Trump's effort to purchase the NFL's Buffalo Bills in 2014.

Joseph Lentol, the Democratic assemblyman sponsoring the legislation, said the bill "will confront any president, not just this one," who believes they "can wash away illegal behavior."

"Today we're being asked to overturn nearly 100 years of New York state history where we as a state have recognized the fundamental unfairness of double jeopardy," Goodell said, adding that lawmakers were being asked to set aside the "concept of fairness and equity not because we're faced with any actual situation but on a hypothetical situation."

Both the state Senate and state Assembly are under Democratic control. Since the bill already passed the state Senate earlier this month, it is now headed to Cuomo's desk for his approval.

Democratic state Sen. Todd Kaminsky, the state senator who sponsored the bill and former federal prosecutor, said in a statement after the bill passed the Assembly Tuesday that the legislative effort was "crucial" to defend the justice system.

"With the President all but pledging to corruptly abuse his pardon power to allow friends and associates off the hook, it is crucial for us to close the double jeopardy loophole and preserve the rule of law in New York," Kaminsky said.

<https://www.nbcnews.com/politics/donald-trump/new-york-lawmakers-pass-bill-aimed-weakening-trump-s-pardon-n1008381>

## Talking Point Memo- NY Lawmakers Pass Bill To Change Double Jeopardy Law, Thwart Trump Pardons

By: Cristina Cabrera

May 21, 2019

The New York State Assembly passed a bill on Tuesday that would close the state's double jeopardy loophole, thereby preventing President Donald Trump from using his pardoning power to shield himself or his associates from any criminal charges in New York.

Currently, Trump is able to pardon someone for federal crimes committed in New York, and New York would be prevented from filing state charges for those crimes against that individual. As former New York Attorney General Eric Schneiderman put it: "A defendant pardoned by the President for a serious federal crime could be freed from all accountability under federal and state criminal law, even though the President has no authority under the U.S. Constitution to pardon state crimes."

Under this new bill, New York prosecutors could pursue charges against someone who's been pardoned for federal crimes. The bill is not retroactive, so former Trump associates Paul Manafort and Michael Cohen wouldn't be affected. However, Trump and his family are currently under a host of investigations into their business dealings.

The New York state Senate approved the bill earlier this month, so all that's left is the signature of Gov. Andrew Cuomo (D), who already announced his support for the change last year.

"This loophole must be closed to ensure that these politically motivated, self-serving actions are not sanctioned under law," Cuomo said in a [statement](#) in 2018. "New York must have the ability to stand up against the abuse of power."

New York Attorney General Letitia James applauded the Assembly for passing the bill.

"This legislation is a commonsense, good government measure that will ensure a reasonable check on the presidential pardon power for not only this President, but all future presidents," she said in a [statement](#).

<https://talkingpointsmemo.com/news/new-york-state-assembly-double-jeopardy-law-trump-pardon>

## New York Law Journal- NY Legislators Approve 'Double Jeopardy' Legislation Aimed at Trump Pardon Power

By: Dan M. Clark

May 21, 2019

New York legislators gave final passage Tuesday to a bill that would allow state prosecutors, including New York Attorney General Letitia James, to prosecute those who've been pardoned of federal crimes by President Donald Trump. That's currently not allowed in New York because of what Democrats who back the measure have called the "double jeopardy loophole," a gap in state law that prevents state prosecutors from using the same set of facts to bring charges against a federally pardoned individual.

A bill to close that so-called loophole was approved Tuesday by the State Assembly after passing the State Senate earlier this month. The vote came down along party lines, with Democrats largely in favor of the legislation and Republicans in opposition.

Assemblyman Joseph Lentol, D-Brooklyn, sponsored the bill in the chamber and said the legislation is another way New York is moving to provide an extra layer of oversight over the federal government.

"Since there's inaction in Washington to stop any of this power of the pardon being abused, or in any other way stopping the president from doing whatever he wants, it's kind of ironic that the state has to step in and enforce the state's rights to change the law so that we can check the power of the president," Lentol said.

The measure will now be sent to the desk of Gov. Andrew Cuomo, who has previously signaled his support for the legislation.

The bill would not allow state prosecutors to bring charges against someone who's already been convicted of, or pleaded guilty to, federal crimes by the time it becomes law. That's because "double jeopardy" attaches when the first juror sits at a trial, or when someone enters into a plea agreement. The legislation wouldn't rescind that event.

State Sen. Todd Kaminsky, D-Nassau, has sponsored the bill since it was first introduced last year. He said that, because the legislation is not retroactive, lawmakers should send it to Cuomo promptly for approval.

"I've said this all along, every day we wait to make this a law, we are potentially taking options off the table for our prosecutors to bring valid cases if the evidence warrants it," Kaminsky said. "So I think we should move with great dispatch and get this done so that we have accountability in our state."

As of now, James has not indicated that she has immediate plans to bring criminal charges against Trump or anyone in his inner circle. For the legislation to be relevant to such an investigation, those individuals would first have to face federal charges and be pardoned anyway.

The legislation has been a priority for James since she took office in January, and even before that when she was running to fill the post. She called on the state Legislature to hold a special session last year to pass the bill after former Trump campaign manager Paul Manafort was convicted on federal charges related to the probe of Special Counsel Robert Mueller III.

That was unlikely at the time because the State Senate was controlled by Republicans, who largely opposed the measure. Democrats took control of the chamber this year for the first time in nearly a decade, giving the legislation an easier path to becoming law.

James has been to Albany a handful of times since she took office to discuss the legislation with lawmakers, and is said to have made some personal appeals to Democrats who were cautious about the proposal. Assemblyman Joseph Lentol, a Democrat from Brooklyn who sponsors the bill, has attributed those discussions for bringing the legislation over the finish line.

It's had mixed results in the chamber, where Democrats were opposed to a previous version of the bill introduced last year. That legislation would have allowed state prosecutors to bring charges against anyone pardoned of federal crimes. Some Democrats were worried the broad language of that proposal could backfire during future administrations. The new version of the bill, announced in March, was crafted more specifically to address those concerns. It's now written in a way that would only allow state charges to be brought against a pardoned individual with direct ties to Trump, either through his family, their work on his campaign, or their work in the White House.

But Democrats in the Assembly were initially slow to coalesce around that version of the bill as well. Lentol said previously there was consternation that the new version would appear targeted at Trump and his associates. That's not necessarily untrue—the bill was inspired by Trump and the Mueller investigation—but Kaminsky and Lentol are quick to point out that the legislation will apply just as much to his successors as to Trump himself.

"The whole focus is going to be targeting Trump," Lentol said. "This bill has nothing to do with Trump but everything to do with Trump, and everything to do with every other president who would choose to abuse their power of pardon." There was also discussion among members of the Assembly about the political consequences of passing the bill, particularly in swing districts. Democrats currently hold a firm majority in the chamber, but some members live in areas where their support for such a measure could cost them votes.

Those concerns were assuaged in recent weeks and put to bed after Democrats agreed in a private meeting last week to move the bill to the floor for a vote. Unlike their discussion in March, little was said about the bill before they agreed to back it.

Republicans were not silent as the bill was considered by the State Assembly on Tuesday. Assemblyman Andrew Goodell, R-Chautauqua, criticized his colleagues across the aisle for approving the legislation, calling it "political" and labeling it as unnecessary.

"Double jeopardy is a concept that was recognized by our Founding Fathers 230 years ago and it was recognized by the Legislature nearly 100 years ago," Goodell said. "And we're asked to set aside that fundamental concept of fairness and equity, not because we're faced with any actual situation, but on a hypothetical situation."

If Cuomo approves the bill, it will take effect immediately. The legislation isn't retroactive, but it also wouldn't apply to anyone who, when it becomes law, is already on trial but has not been convicted or has entered a guilty plea but has not been sentenced.

<https://www.law.com/newyorklawjournal/2019/05/21/ny-legislators-approve-double-jeopardy-legislation-aimed-at-trump-pardon-power/>

### [Associated Press- NY moves to ensure Trump pardons can't nix state charges/](#)

By: David Klepper

May 21, 2019

ALBANY, N.Y. (AP) — A presidential pardon won't be enough to clear someone associated with the commander-in-chief of similar state charges under legislation approved by New York state lawmakers Tuesday.

The bill, which now moves to Democratic Gov. Andrew Cuomo, revises the exceptions to the state's double jeopardy law in an effort to ensure the state's ongoing investigations into the Republican president and his associates can't be derailed by a White House pardon.

Attorney General Letitia James had pushed for the law, which she said will eliminate a "gaping loophole" that could have allowed someone pardoned by Trump to argue similar state charges should be dismissed.

"This loophole, which effectively allows the president to pardon state crimes, must be closed," James, a Democrat, told reporters after the bill passed the Assembly Tuesday. She said presidential pardons shouldn't "be used as a get-out-of-jail-free card."

Republicans argued the bill is a partisan attack on Trump and accused Democrats of trying to rewrite the law to prepare for hypothetical pardons that may never be issued.

Assemblyman Andy Goodell, R-Jamestown, called the measure "a sharp poke in the eye" of the president. He said his Democratic colleagues were using the bill "to express a political statement about our current president, about things he hasn't done."

Democrats said the bill isn't designed to target a particular president, but to safeguard the state's ability to enforce its own laws.

"We're trying to root out corruption and abuse of presidential power," said Assemblyman Joe Lentol, D-Brooklyn.

Still, some lawmakers made it clear that they had a specific commander in chief in mind when they voted yes Tuesday.

"We are dealing with a criminal in the White House," Assemblyman Michael Blake, D-the Bronx, said of Trump.



Twenty-four states already have laws making it clear that presidential pardons do not cover state charges, according to Sen. Todd Kaminsky, D-Long Island and the bill's Senate sponsor.

The new exception wouldn't apply to all presidential pardons. Instead, the legislation spells out several categories of people for whom presidential pardons would not be sufficient: members of a president's family, their government and campaign staff, employees of a president's private business or nonprofit, as well as anyone else who prosecutors believe may have conspired with an associate of the president.

Prosecutors in New York are in the midst of several investigations related to Trump and his associates, including Paul Manafort, the president's former campaign chairman, who is now serving time in federal prison for tax and bank fraud.

A message left with the White House was not immediately returned Tuesday evening.

<https://www.usnews.com/news/best-states/new-york/articles/2019-05-21/ny-state-assembly-set-to-close-double-jeopardy-loophole>

## NY State of Politics- Bill Curbing President's Pardon Power Heads To Cuomo's Desk

May 21, 2019

A bill meant to curb the power and reach of the president's pardon in New York was granted final approval by the Democratic-led state Assembly on Tuesday and now goes to Gov. Andrew Cuomo's for his signature.

The bill would allow New York prosecutors to bring cases against those who have worked in a presidential administration or a member of the president's family after receiving a pardon.

Lawmakers at a press conference on Tuesday insisted the bill was not aimed at President Donald Trump, who is being investigated by Attorney General Letitia James's office.

"We try to tread very carefully because we didn't want to target the president, we wanted to target the abuse," said Assemblyman Joe Lentol at a press conference flanked by James and Sen. Todd Kaminsky.

A former federal prosecutor, Kaminsky said the legislation is in line with what other states have on the books.

"We know the president's pardon power is sweeping; there's no debate about that," he said. "But when we're confronted with a corrupt or capricious use of that, New York does not have to stand idly by."

The bill's passage is a victory for James, who had sought the legislation earlier this year. Her office is reportedly investigating ties between Trump's businesses and major lenders, such as Deutsche Bank.

"This loophole, which effectively allows the president to pardon state crimes, deserved to be closed," she said. "It's really critically important that individuals understand the power of state's rights."

The Assembly is expected on Wednesday to approve a bill that would allow congressional Democrats to gain access to the president's New York tax filings. The bill will include an amendment set to pass in the state Senate that narrows the scope of the tax legislation to elected officials.

Republicans called the focus on Trump at the state Capitol a waste of time that does little to help New Yorkers.

"Bringing politics of Washington into this chamber I think is a complete waste of time," said Brian Kolb, the Assembly minority leader.

"I think there's enough grandstanding to go around here as well as in Washington. This is all political grandstanding and it's using New York state taxpayer money to advance political causes and not do one thing to take people out of poverty."

<https://www.nystateofpolitics.com/2019/05/bill-curbing-presidents-pardon-power-heads-to-cuomos-desk/>

## Politifact- Trump says NY didn't fight SALT cap

By: Jill Terreri Ramos

May 21, 2019

President Donald Trump called out New York on Twitter, asserting the state did not fight a provision in the 2017 tax law backed by Republicans. The provision, a \$10,000 limit on deductions of state and local taxes, has a negative impact for some filers largely in high-tax states like New York, New Jersey and California.

His tweet followed the news that New York Attorney General Letitia James would investigate the National Rifle Association and its tax-exempt status.

"...People are fleeing New York State because of high taxes and yes, even oppression of sorts," Trump wrote. "They didn't even put up a fight against SALT - could have won. So much litigation. The NRA should leave and fight from the outside of this very difficult to deal with (unfair) State!"

## Swift reaction

Trump's claim that New York didn't fight the provision in the Tax Cuts and Jobs Act that caps the deduction for state and



local taxes at \$10,000 was immediately challenged. Rep. Nita Lowey, a Democrat who represents Rockland County and part of Westchester County, tweeted: "Is he living under a rock?! We fought tooth and nail against the Republican elimination of the SALT deduction. If he's OK with bringing it back, he should join me in convincing members of his own party to reverse their decision to hurt working families."

During a news conference on the day Trump tweeted, Gov. Andrew Cuomo questioned why Trump supported the policy if he knew it was bad for New York.

"What he said about SALT is unbelievable," Cuomo said. "I've been saying for months it was an assault on New York, pardon the pun," Cuomo said. "And now the President is running from his own policy. ... Why did you start it? It was your policy. It is your budget. You took credit for it."

We asked Trump's press office about how he formed his view of New York's response to the cap but did not receive a response.

### **Advocacy history**

Cuomo's response to the cap goes back to 2017, when it was proposed. Shortly before it became law, he called the SALT cap provision an "economic dagger directed at this state" and "a gross injustice." In 2018 he launched a campaign against the provision using legal and legislative tools.

Cuomo even met with Trump at the White House in February to discuss changes to the cap after Trump indicated he would be open to them. Cuomo has continued to publicly criticize the cap, and following his meeting with Trump, he announced he had enlisted other governors in the effort.

"As governor of the state of New York today, my top priority is repealing SALT. Period," Cuomo told reporters in March. Advocacy came from New Yorkers in Congress, too.

In October 2017, when discussion of the Republican tax changes was in the early stages, Sen. Charles Schumer called on New York's House delegation to oppose any proposed repeal of the state and local tax deduction.

While negotiations were ongoing, House Minority Leader Nancy Pelosi, in a news conference with Schumer, spoke of how people were upset with proposed changes to state and local tax deductions, that it "rubs salt in the wounds of the taxpayers."

Schumer's spokesperson, Dan Yoken, also provided a lengthy history of Schumer's public advocacy on the issue, including at least 22 instances in which the senator spoke publicly about preserving the SALT deduction.

In October 2017, Treasury Secretary Steven Mnuchin said on Fox Business: "Senator Schumer has been complaining about this [SALT Deduction] since the beginning of the year."

Democrats did not vote in favor of the law, and some Republicans in New York's House delegation voted against it too, including Reps. Peter King and Lee Zeldin of Long Island, Dan Donovan of Staten Island, John Faso of the Albany and Catskills areas, and Elise Stefanik, who represents the Adirondack and North Country regions. With one exception, House Republicans who voted against the tax reform law were from New York, New Jersey, and California.

New York Republicans voting in favor of it were Reps. Chris Collins, Tom Reed, Claudia Tenney and John Katko. Some of the New York and New Jersey Republicans who favored the law told the New York Times that they blamed state government, not the tax bill, for the problems the SALT cap would create.

The Trump administration also blocked states' efforts to work around the cap, once the law was enacted, something Lowey fought in a letter to the IRS commissioner.

Lowey and King have bipartisan legislation to restore the SALT deduction, introduced in January 2018 and in January 2019.

### **Our ruling**

Trump said that people in New York didn't fight a cap on the deduction of state and local taxes, which was included in the 2017 tax reform law.

New York elected officials have been speaking out against it since the time it was proposed, in the news media, in meetings with Trump, and in Congress. While the majority of New York's representatives in Congress voted against the Tax Cuts and Jobs Act, four Republican New York House members voted for it.

The Democrats who were vocal in speaking against the SALT cap were in the minority party and had little influence in the White House, House of Representatives and Senate, all controlled by Republicans. If anyone didn't "put up a fight" in New York, it could have been the Republicans who could have used their influence as members of the majority party to push to eliminate the cap, but voted in favor of the tax legislation.

We rate Trump's statement False.

<https://www.politifact.com/new-york/statements/2019/may/21/donald-trump/trump-says-ny-didnt-fight-salt-cap/>

## The Hill- Democratic states, counties, sue Trump admin over religious protections rule

By: Nathaniel Weixel

May 21, 2019

A coalition of 23 Democrat-led states, counties and municipalities is suing the Trump administration for a final rule that protects health care providers who refuse to provide care on the basis of their religious beliefs.

The lawsuit, announced Tuesday, is led by New York Attorney General Letitia James (D) and seeks to have the rule declared unconstitutional, as well as a court order to prevent it from going into effect.

It is the second lawsuit against the administration's so-called conscience protection rule. San Francisco announced a similar lawsuit earlier this month.

The new complaint called the final rule "an unprecedented and unlawful expansion" of nearly 30 federal statutes that will prevent the plaintiffs from administering their own health care systems.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients — a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in a statement.

The rule was announced earlier this month by President Trump during the National Day of Prayer, but was officially published Tuesday. It's scheduled to take effect on July 22.

The rule aims to protect health care workers and institutions from having to violate their religious or moral beliefs by participating in abortions, providing contraception, sterilization or other procedures.

Republicans and anti-abortion groups often complained that the Obama administration did not enforce federal laws that protect health workers and institutions from having to violate their religious or moral beliefs by participating in abortions or other procedures.

The lawsuit argues that the final rule will allow any provider to make such refusals, from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies.

The lawsuit also alleges that the states and counties could lose billions of dollars in federal health care funding if they don't comply.

"States and cities rely upon those funds for countless programs to promote the public health of their residents, including Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention and education, and substance abuse and mental health treatment," James said.

<https://thehill.com/policy/healthcare/444819-democratic-states-counties-sue-trump-admin-over-religious-protections-rule>

## The Washington Post- Two dozen states, municipalities, sue over Trump's 'conscience' rule

By: Amy Goldstein

May 21, 2019

A group of mostly Democratic states filed lawsuits against the Trump administration on Tuesday, challenging a new federal rule that gives health-care providers, insurers and employers greater latitude to refuse to provide or pay for medical services that they say violate their religious or moral beliefs.

A lawsuit by a coalition of nearly two dozen states and cities, led by New York Attorney General Letitia James, alleges the rule illegally favors the personal views of health-care workers over the needs of patients "at a dangerous price" of hobbling the ability of state-run health-care facilities to provide effective care.

A separate suit, brought by California Attorney General Xavier Becerra, alleges the rule "impedes access to basic care" and "encourages discrimination against vulnerable patients, including women and LGBTQ individuals.

The suits, plus one brought earlier this month by the city of San Francisco, seek to block the rule, announced by President Trump early this month and published Tuesday in the Federal Register, which allows individuals and entities to refrain from delivering or paying for services such as abortion, sterilization or assisted suicide if they have a religious or moral objection to them. The 440-page rule also grants parents' rights to refuse several specific types of care for their children.

The lawsuits are part of a spate of federal litigation challenging various ways the Trump administration has been rewriting health-care policies. So far, courts have issued temporary injunctions to block some of the policies while the disputes play out in court.

Injunctions by two courts last month halted new anti-abortion restrictions on the use of money for family planning services under the Title X program. A federal judge in the District, meanwhile, has ruled against the administration's

approval of steps taken by Kentucky and Arkansas to require some poor residents on Medicaid to work or prepare for jobs to qualify for the benefits.

The “conscience protections,” as their advocates call them, are among actions taken by the Health and Human Services Department that appeal to Christian conservatives, a constituency that is part of Trump’s political base. The rule is due to take effect in late July.

The multi-state lawsuit, filed in the U.S. District Court for the Southern District of New York, alleges that the rule puts at risk billions of dollars in federal funds if the states participating in the case do not comply with the rule.

The 80-page complaint says the rule also will harm teaching hospitals and other health-care facilities run by some of the states and cities, undermining their effectiveness and forcing them to hire extra staff in case some workers refuse care that patients need. The rules also risks “undermining longstanding efforts by those institutions to build trust with the patient communities they serve.”

The suit further alleges that the rule violates several federal laws, including those governing Medicare and Medicaid, civil rights statutes and a statute requiring hospitals to provide emergency care.

In addition to New York, the plaintiffs are Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, plus the cities of Chicago and New York; Cook County, Ill; and the District.

[https://www.washingtonpost.com/national/health-science/two-dozen-states-municipalities-sue-over-trumps-conscience-rule/2019/05/21/564d61c6-7c09-11e9-a5b3-34f3edf1351e\\_story.html?utm\\_term=.753dacbdafc0](https://www.washingtonpost.com/national/health-science/two-dozen-states-municipalities-sue-over-trumps-conscience-rule/2019/05/21/564d61c6-7c09-11e9-a5b3-34f3edf1351e_story.html?utm_term=.753dacbdafc0)

## Bitcoin Magazine- Tether Partly Backed by Bitcoin, Court Transcription Reveals

By: Colin Harper

May 21, 2019

Tether, a stablecoin tied to the dollar that is meant to mediate the volatility of other cryptocurrencies, is partly backed by bitcoin.

As detailed in court documents obtained by The Block, Tether admitted to using some of the cash reserves meant to back its stablecoin to purchase bitcoin, among other assets.

This revelation is the latest in legal proceedings between the New York Attorney General (NYAG) and Bitfinex, a leading cryptocurrency exchange which shares management with Tether. Bitfinex and the NYAG have gone back and forth in a battle of legal letters after the NYAG petitioned the New York Supreme Court to stop the exchange from drawing on a \$900 million line of credit it established with Tether to cover \$850 million in losses it incurred when its fiduciary relationship with payment processor Crypto Capital went south.

The war of words has offered a rare glimpse into Tether/Bitfinex’s shared business practices, including the revelation that Tether’s reserves are only 74 percent backed following the \$850 million loss. Additionally, Bitfinex used Crypto Capital to commingle business and customer funds. Now, Bitfinex’s legal counsel is saying that some of these funds were used to buy bitcoin.

“Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin,” David Miller, Bitfinex’s attorney, testified, adding that it is a “small amount.”

Presiding Judge Joel M. Cohen responded by saying that, while it “may be a little beyond the issue,” that “Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate,” then that supports the NYAG’s argument.

The rest of the document outlines an argument for why the NYAG’s injunction has grounds under the Martin Act, an anti-fraud law that gives the NYAG legal leeway to bring action against allegedly fraudulent securities issuers. The NYAG argues that, under the Martin Act, it has jurisdiction to pursue Bitfinex/Tether because neither offered sufficient disclosure to stakeholders (namely, Bitfinex users and tether holders).

But the judge opened up his remarks questioning this legal basis, stating that “it [isn’t] 100 percent clear what the violation [is].”

“The petitioner [NYAG] ... very clearly and correctly said that the Attorney General’s Office is not a regulator, so there is no general mandate in the Martin Act to maintain the financial stability of any given company unless there is a statutory violation to pursue,” Judge Cohen said. “So the petitioner ... has to show why in this particular case instability or failure to have enough coverage in terms of dollars constituted by itself a violation.”

Miller criticized the NYAG as having a “lack of jurisdiction” in the matter, arguing that the attorney general is only going after Bitfinex/Tether because it dislikes bitcoin as an asset. He also argues that Tether made proper disclosures

regarding its fractional reserves in a February website update.

The May 16 hearing followed a temporary injunction granted by judge Cohen that would freeze Bitfinex's line of credit for 90 days, a timeframe Bitfinex/Tether sought to reduce to 45 days.

In the background of the courtroom battle, Bitfinex launched a token sale to the tune of \$1 billion to aid fund recovery efforts. The token, LEO, sold out and is currently trading; the \$1 billion raised will go to cover some of the \$850 million lost to Crypto Capital, with Bitfinex planning to buy back and burn outstanding supply until all tokens are out of circulation.

<https://bitcoinmagazine.com/articles/tether-partly-backed-bitcoin-court-transcription-reveals/>

## The Block- Tether admits in court to investing some of its reserves in bitcoin

By: Larry Cermak

May 21, 2019

Count this as the latest revelation to emerge in Bitfinex's battle with the New York Attorney General's office.

Tether, a stablecoin that has overlapping management and ownership with Bitfinex, admitted the company has historically used some of its reserves to make investments in bitcoin and "other assets," according to court documents obtained by The Block. It's the latest insight from recent court proceedings into the operations of Bitfinex and Tether — two entities that have played a major role in crypto markets whilst operating mostly opaquely.

In April, the NYAG issued a court order against Bitfinex and Tether in which they alleged the firm commingled client funds and borrowed money from its sister company Tether to cover-up the seized funds. Jean Louis van der Velde, CEO of Bitfinex, responded by saying that the lawsuit is "filled with inaccuracies and false assertions."

Throughout these court proceedings, new details about how Bitfinex ran its business have been revealed. For instance, the market has learned that only 74% of outstanding Tether tokens were backed by cash held in its reserve.

On Feb. 25, Tether quietly changed the wording on its homepage, admitting for the first time that its reserves included "traditional currency and cash equivalents", as well as "other assets and receivables from loans made by Tether to third parties." Prior to the change, Tether always claimed that Tether was 100% backed by "traditional currency." The statement used to read: "Every tether is always backed 1-to-1, by traditional currency held in our reserves."

In a court transcript from the hearing on May 16 obtained exclusively by The Block, David Miller, an attorney for Bitfinex said: "Prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin." In the hearing, Miller argued that the Attorney General's Office wants to have restricted language that limits Tether's investments to cash or cash equivalents because "they don't like some of [Tether's] investments." Miller claims the Attorney General's Office is acting beyond its jurisdiction in trying to exert regulatory authority.

New York Supreme Court Judge Joel M. Cohen questioned the logic, noting the paradox of a stablecoin being invested in a volatile asset like bitcoin. He said: "Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."

Miller clarified that it was "a small amount" and argued that the disclosures, "especially the disclosure of February 25th, demonstrate that Tether is not just taking it in cash or cash equivalents. It does make other investments, including purchasing other assets."

Following the court hearing on May 16, the judge allowed Tether to invest its reserves as part of its operations but issued a preliminary injunction ordering Tether and Bitfinex to:

Restrain access to credit lines on USD reserves held by Tether

Principals, executives, and agents of Bitfinex shall not receive distribution or dividends from funds received from Tether

Not tamper with the documents that NYAG originally requested

The preliminary injunction expires in 90 days, before which time the NYAG can file an extension up to 14 days to petition a longer time-frame on its provisions.

Bitfinex claims since the injunction it has successfully raised nearly \$1 billion in a private token sale for its exchange token LEO. The issuance was planned to cover the \$850 million currently frozen in several accounts controlled by the payment processing company Crypto Capital, which is at the heart of the lawsuit. LEO tokens started trading on Bitfinex on Monday and currently trade at \$1.043 with a 24-hour volume of \$3.6 million.

We've reached out to Bitfinex for comment and will update this story if we get a response.

*Frank Chaparro contributed to this report.*

<https://www.theblockcrypto.com/2019/05/21/tether-admits-in-court-to-investing-some-of-its-reserves-in-bitcoin/>

## Coin Telegraph- Tether Says It Invested Some of Its Reserves into Bitcoin and Other Assets

By: Ana Alexandre

May 21, 2019

Stablecoin issuer Tether said that it had invested some of its reserves in bitcoin (BTC), according to a court filing obtained by tech-focused media outlet the Block on May 21.

Per the document dated May 16, David Miller, an attorney for Tether's associated firm Bitfinex, said that Tether invested "a small amount" of Tether's reserves into bitcoin, specifying that "prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin." Miller further said that Tether made "other investments, including purchasing other assets."

In response to Miller's statement, New York Supreme Court Judge Joel M. Cohen doubted the logic of investing a stablecoin in a volatile asset like bitcoin:

"Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."

As previously reported, the New York Attorney General's (NYAG) office alleged that crypto exchange Bitfinex lost \$850 million and subsequently used funds from Tether to secretly cover the shortfall. Lawyers from Tether confirmed preexisting rumors that its tokens did not have full reserve backing, and was in fact only 74% backed by fiat dollars and other reserves.

NYAG Letitia James further requested the disclosure of documents concerning an alleged deal made between the two companies.

Following the request, the New York Supreme Court judge Joel M. Cohen decided the parties should try to resolve their dispute and submit a refined argument, claiming that the NYAG cannot bring the full force of its court order against Bitfinex and Tether. Both companies denied any wrongdoing, heavily criticizing New York authorities for the manner in which they raised their complaint.

<https://cointelegraph.com/news/tether-says-it-invested-some-of-its-reserves-into-bitcoin-and-other-assets>

## Coin Telegraph- Bitfinex and Tether Move for Case Dismissal Over Lack of Jurisdiction

By: Max Boddy

May 21, 2019

Bitfinex and Tether lawyers are moving to dismiss their ongoing case versus the New York Attorney General (NYAG), according to court filings on May 21.

Law firms representing the two companies argue that the New York Supreme Court (NYSC) does not have jurisdiction over the alleged misconduct being considered.

The lawyers argue that the NYSC has neither personal nor subject matter jurisdiction and that the NYSC cannot be appealed to, because Bitfinex and Tether are neither operated out of New York nor harmed investors in that state. As per the motion:

"The Office of the New York Attorney General ("OAG") initiated this special proceeding ostensibly 'to protect New York investors.' [...] But OAG chose to target two virtual currency businesses that have nothing to do with New York investors — the businesses do not allow New Yorkers on their platforms and do not advertise or otherwise do business here."

The counsel further argues that the Martin Act — a law governing securities and commodities which the NYAG is using — does not apply to Tether's stablecoin.

The case against Bitfinex and Tether was initiated via a court filing in April by NYAG Letitia James, who accused the two organizations of defrauding New York investors via a massive \$850 million loss cover-up. Regarding the impetus to file, James said:

"New York state has led the way in requiring virtual currency businesses to operate according to the law. And we will continue to stand-up for investors and seek justice on their behalf when misled or cheated by any of these companies."

As reported earlier today on Cointelegraph, a new development in the case has been revealed as the attorney for Bitfinex mentioned that Tether was invested in bitcoin (BTC) and other assets. New York Supreme Court Judge Joel M. Cohen responded with questions, saying:

"Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."



## Ethereum World News- Bitfinex and Tether (USDT) Attempt Dismissal of NYAG Case

By: Michael Lavere

May 22, 2019

Cryptocurrency exchange Bitfinex and Tether have moved for a case dismissal of the suit pending against them by the New York Attorney General's office.

According to [court filings](#) on May 21, the lawyers of Bitfinex and Tether—parent company to the eighth largest cryptocurrency by market capitalization and industry leading stablecoin USDT—are moving to dismiss their ongoing case with the NYAG. The court filings argue that the New York Supreme Court lacks jurisdiction over the pending case and alleged misconduct under consideration by the Attorney General's office.

In particular, the motion highlights the fact that neither Tether or Bitfinex operate out of New York or specifically targeted and harmed clients in the state. The collective law group claims that the New York Supreme Court should hold no subject matter jurisdiction in the allegations being made, and cannot be appealed to do to the conflicting area of operations.

The court filing effectively calls out the office of the New York Attorney General's office for initiating the special proceeding in the case as a way to "protect New York investors." However, given the seeming lack of jurisdiction involved, the law group finds that the NYAGs office targeted Bitfinex and Tether for wrongdoing, despite having no direct impact on the livelihood of New York investors—especially considering the cryptocurrency exchange Bitfinex does not allow New Yorkers to register and has not advertisement targeted to residents of the state. The filing also finds fault with the NYAG using the Martin Act, which governs securities and commodities and imparts investigative powers during situations of suspected fraud, as inappropriate given the current circumstances.

Since 2017, Tether has been the regular recipient of questioning by analysts and members of the community of cryptocurrency over their exact holdings and dollar backing of USDT. Historically, the stablecoin company claimed to back each USDT coin issued 1:1 with U.S. Dollars, which would amount to over \$2.9 billion held in reserve for the current circulating supply. However, cryptocurrency investors have been skeptical over that claim, which was ultimately revealed to be only partially true. In early March, investigative crypto community members uncovered that Tether had quietly removed its claim to back each USDT with U.S. Dollars.

The plot thickened when it was revealed that cryptocurrency exchanged Bitfinex—who shares leadership positions with Tether—had borrowed over \$800 million in Tether funds to cover [losses](#) incurred by the platform. The NYAG's office responded by accusing Tether and Bitfinex of defrauding investors in Bitcoin, as the exchange was directly using assets that had been pledged in support of the valuation of USDT.

Earlier today Bitfinex revealed that Tether was invested in Bitcoin and other assets as a portion of its reserves backing the 1 USD pegged value of their stablecoin, which prompted New York Supreme Court Judge Joel M. Cohen to respond, "Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."

While Bitcoin prices hover around the \$8000 mark, it remains to be seen how the blowback from USDT and Bitfinex will affect the market moving forward.

<https://ethereumworldnews.com/bitfinex-and-tether-usdt-attempt-dismissal-of-nyag-case/>

## Daily Gazette- Tedisco: AG looking at St. Clare's pension crisis

By: John Gropley

May 21, 2019

SCHENECTADY — The state Attorney General's Office apparently is taking a closer look at how the St. Clare's Hospital pension fund wound up in crisis.

The agency has filed a series of legal objections to the attempted dissolution of the St. Clare's Corporation, the former steward of the pension fund and the last corporate remnant of the Schenectady hospital that ceased operation in 2008.



State Sen. James Tedisco, R-Glenville, whose district includes the former hospital and whose constituents include many of its former employees, said Tuesday the moves seem to indicate a new stance. Previously, he said, the three statewide elected officials — governor, comptroller and attorney general — had declined to get involved in the matter.

Now, he said, Attorney General Letitia James' staff has told him that they'll dispatch forensic accountants to delve into the matter, if approved by the court hearing the corporation's request for dissolution.

"It validates the fact that it was important to get an investigation and we're buoyed by the fact that they are delving deeper, a lot deeper," Tedisco said. "Some of the things that happened can be described, generously, as misconduct." The Attorney General's Office typically does not discuss investigations. It did not return a request for comment for this story.

More than 1,100 former employees of St. Clare's saw their pensions reduced or eliminated in recent months due to a pension fund shortfall now estimated at \$53.5 million. The financially troubled hospital many years ago opted out of a federal pension insurance fund as a cost-saving measure, using an exemption available to church-affiliated hospitals.

So the pensioners have no safety net, but some have been fighting for other recourse. So far they have been unsuccessful, but they also haven't given up. Tedisco and Assemblyman Angelo Santabarbara, D-Rotterdam, have introduced legislation to block dissolution of the corporation while efforts are still being made to restore the pension payments.

Tedisco said Tuesday he's gained support from majority Democrats that will be critical to advancing the proposal in the Senate.

"The bill we have, myself and Assemblyman Santabarbara, is important as a backstop," he said.

"I think we have to have a backstop to make sure that the investigation by the attorney general is not cut short. I think getting to the bottom of this — how it originated, the back drop of how it started, in between the mistakes that were made, whose responsibility it was — we can craft a plan to make pensioners somewhat whole."

Court papers submitted by the Attorney General's Office outline the objections:

- The petition for dissolution submitted in state Supreme Court, Schenectady County, is insufficient;
- The corporation provided no accounting for the \$28.5 million pension fund bailout provided by the state at the time of closure;
- The corporation never filed annual reports with the Attorney General's Charities Bureau as required by law;
- The corporation didn't provide audited annual reports to the court or Attorney General's Office;
- The corporation has failed/refused to provide requested financial documentation about itself or the pension plan;
- The \$28.5 million pension bailout a decade ago creates a substantial public interest now, in light of the pension crisis.

Also, the attorney general's court filing asserts that each of the affected pensioners is a creditor and should be allowed six months to file claims before dissolution is considered.

But the underlying problem remains: The corporation has zero assets and there is no way for it to gain any assets, as St. Clare's was long ago absorbed into what is now Ellis Medicine, which has no financial connection to the pension fund.

One of the reasons for blocking dissolution of the corporation is the belief that it could more easily distribute money to pensioners than an unfamiliar organization, should a source of a bailout be secured.

Bob Bradley and Mary Hartshorne, who are leading a campaign to regain the pension payments, said they were heartened by Tedisco's update.

"To know we have that level of support is amazing," Hartshorne said.

"The St. Clare's Corporation should not be allowed to simply walk away from this disaster," Bradley said via email. "I applaud Senator Tedisco's continued efforts on behalf of these pensioners."

On another front, Hartshorne said she's seeing great responsiveness from Bishop Edward Scharfenberger, head of the Roman Catholic Diocese of Albany, which many pensioners feel should help solve the pension crisis, given the diocese's long, close association with the hospital and its administration. The diocese maintains it did not cause the crisis and isn't responsible for fixing it or funding a solution.

But Scharfenberger lately has been very supportive of the effort to find a solution, Hartshorne said. He met privately with her and Bradley earlier this month and will meet with them again next week, she said.

"Honestly, I think he wants to make it work," she said.

<https://dailygazette.com/article/2019/05/21/state-attorney-general-looking-at-st-clare-s-pension-crisis>

New York Times- They Hoped the Catholic Church Would Reveal Their Abusers. They Are Still Waiting

By: Rick Rojas

May 21, 2019

ROCKVILLE CENTRE, N.Y. — She has watched as diocese after diocese has identified Catholic priests accused of sexually abusing children. She saw the victims who, after confronting decades of church silence, could edge toward a sense of closure as bishops apologized and publicly named clergy members who abused them.

Yet for Janet Cleary Klinger, the silence has continued.

She said she had been abused as a teenager by a priest from her family's parish in the Catholic Diocese of Rockville Centre, which sprawls over the suburbs of Long Island.

But the Rockville Centre diocese — one of the largest in the country with an estimated 1.5 million Catholics — has resisted publishing the names of priests credibly accused of abuse. It is the only diocese in New York that has not released a list. Miami, San Francisco and St. Louis are among the others nationwide.

Church leaders in many dioceses have hailed the release of lists of accused priests as a move toward transparency that will help quell tensions with followers.

But the dioceses that have declined to name priests are calling into question the church's broader efforts to make amends for the abuse scandals, stirring a growing backlash from victims and their supporters.

They argue that the lack of disclosure creates another impediment toward understanding the church's handling of the sex abuse epidemic across the nation and makes it more difficult to hold its leaders accountable.

"I, along with a lot of other people, have waited a long time to feel validated, and we continually cannot get that from the Diocese of Rockville Centre," Ms. Cleary Klinger said. "We get nothing from the Diocese of Rockville Centre."

Officials in dioceses that have not released names contend that declining to make such a disclosure does little to stand in the way of their pursuing a robust effort to help victims and prevent abuse.

"The Diocese of Rockville Centre, as a longstanding practice, works closely with law enforcement to make certain that all accusations of child sexual abuse against clergy — credible or not — of which the diocese is aware are reported," Sean P. Dolan, a spokesman for the diocese, said in a statement.

He added: "The relevant civil authorities have the names of all clergy known to the diocese who have been accused of sexual abuse of minors."

Opponents of the church's handling of the abuse scandal said some bishops' reluctance to release more details underscored what they considered a major flaw in the flood of disclosures: It is a hodgepodge response, where each bishop operates at his own discretion in choosing what, if any, information to share.

The church's leadership in the United States has not adopted any kind of formal standard for disclosure. Some bishops have provided work histories and even photographs of accused priests. Others listed only names, the year of their ordination and their status with the diocese. And some have declined to take part at all.

"There's no incentive to act in good faith," said David Clohessy, a victims' advocate. "There's no incentive to put out anything other than a small amount of information."

Bishops across the United States started publishing the lists at a rapid clip after the damning grand jury report in Pennsylvania last August that unfurled decades of allegations, including efforts by church officials to discourage victims from reporting abuse and pressure the authorities not to investigate.

The report prompted the New York attorney general's office and law enforcement officials elsewhere to initiate inquiries. It also undermined the confidence of many Catholics in the church's leaders.

In January, bishops in Texas named nearly 300 priests credibly accused of abuse. In February, bishops in New Jersey published the names of nearly 200. Around the same time, the archbishop of Hartford named 48 priests and offered a series of reparations Masses in which he prostrated himself before the altar as he pleaded for forgiveness.

Advocates said the disclosures reached a pivotal moment in April when the Archdiocese of New York, a center of gravity in the American church and a holdout for months, published a list of nearly 120 accused clergy members.

As the disclosures continued, some dioceses changed their stance. In Charlotte, N.C., a spokesman for the Most Rev. Peter Joseph Jugis told The Charlotte Observer in January that the diocese did not "want to pile on and do more" to inflict further pain on victims, suggesting that publishing the names would do that.

Yet last week, Bishop Jugis relented. "I have come to believe that a full airing of abuse from the past is crucial in the healing process for victims and for the entire church," he said in a statement announcing that the diocese would release its list by the year's end.

Many abuse survivors have welcomed the lists as long-sought recognition from the church. The disclosures have also put a spotlight on the clergy members from the lists who are still alive, including some who continued working with children. One former Jesuit resigned from a teaching job at a prestigious prep school outside New York City after his name was included on one of the order's lists.

Still, advocates have criticized the disclosures as pocked with holes, with few details shading in the nature of the abuse

allegations or how church officials responded to them when they were made. There is also the issue of priests from Catholic religious orders, which have also been inconsistent in revealing alleged abusers in their membership. David Gibson, the director of the Center on Religion and Culture at Fordham University, said the process to identify the priests, both dead and alive, was a fraught one. Most were never convicted, much less charged with a crime. The threshold for being included on the lists was being the subject of abuse claims that were deemed credible after an investigation by the church. "There are still real moral, ethical and legal considerations," he said.

"The good news is they're doing it, finally," Mr. Gibson added.

The disclosures, which have centered on decades-old allegations and largely named dead priests, have nonetheless unleashed a fresh wave of attention that has amplified the sense of scandal surrounding the church. In other dioceses, bishops have struck a conciliatory tone, describing the releases as a gesture meant to help victims heal and mollify an unsettled flock.

But in Rockville Centre, a diocese covering Nassau and Suffolk Counties, the bishop, the Most Rev. John O. Barres, has concerns about making a disclosure. "The diocese believes that while the investigations of claims and allegations are ongoing, it is premature to release a list of accused clergy," Mr. Dolan, his spokesman, said. (Last year, officials overseeing the diocese's Independent Reconciliation and Compensation Program said it had offered settlements in more than 200 abuse claims.)

Ms. Cleary Klinger, who is the local leader of the Survivors Network of those Abused by Priests, known as SNAP, had little optimism that the diocese would alter its course. "If we get a list, we'll be lucky," she said.

Even so, she and other abuse survivors press on.

Donald H. Nohs, who said he was abused by a priest from a religious order when he was around 13 years old, still has strong ties to the Catholic Church. He is an expert on the Shroud of Turin, a piece of linen cloth that some believe depicts an image of Jesus Christ, and the president of the Society of the Holy Face of Jesus. His brother is a priest in the Rockville Centre diocese.

He said prayer had led him to forgive his abuser, even asking Jesus, "Don't let what he did to me stop his soul from going to heaven."

Yet he said he maintained his zeal in pushing for change in the church.

"You've got to recognize the root cause and weed it out," Mr. Nohs said.

"You're not going to stop it if there's not full disclosure," he added. "I'm not angry. I'm very much at peace, by the way."

Teresa Cash-Ferrara said she can trace many turns in her life back to the relationship that started with a priest when she was about 12 years old and continued for several years: her career choices, her drift away from Christianity and her return to Catholicism.

She was torn over the disclosure of priests' names, fearing it could stir turmoil in parishes and create new pain. In some ways, she said, she felt fortunate compared with other victims who had more challenging plights: She is married and home-schools her young son. She has also worked hard to quiet her own anger.

"It destroys," Ms. Cash-Ferrara, a horseback riding instructor, said. "It continues to destroy your life and those around you."

But she also acknowledged that going public with suspected abusers could help bring about healing for victims and the church. "It's not just this black hole in your past," she said. "You can bring some good out of it."

<https://www.nytimes.com/2019/05/21/nyregion/catholic-church-sexual-abuse.html>

## AM New York- Taxi drivers should be exempt from NYC congestion pricing, council members say

By: Vincent Barone

May 21, 2019

Yellow cabbies should be exempted from congestion pricing tolls coming to Manhattan as well as a surcharge that is already in place, according to two City Council members.

Councilmen Ydanis Rodriguez and Fernando Cabrera on Tuesday called on Gov. Andrew Cuomo and the MTA to establish the carveout before the new tolls take effect, which is expected in 2021. Their request came in response to an extensive investigation from The New York Times detailing how thousands of immigrant workers fell victim to predatory loans that saddled them with crippling debt, as lenders fattened their pockets and the government ignored warning signs.

"Our taxi drivers are currently facing a financial epidemic unlike we've ever seen. This crisis ... did not happen overnight," said Rodriguez, the chair of the Transportation Committee. "This is the result of an accumulation of lack of

leadership and bad decisions for many decades.”

Yellow taxis and other for-hire vehicles are already subjected to a congestion pricing surcharge, which took effect in February. Yellow cabs operating in Manhattan below 96th Street saw an added \$2.50 fee on top of the \$5.50 base fare just to get in the vehicle. Ubers, Lyfts and other car services driving in the area are hit with a \$2.75 surcharge. The surcharge has angered the professional driving industry and arrived amid a series of driver suicides, which advocates have blamed on economic hardships plaguing the industry.

But the request to be exempt from the surcharge and a future toll flies in the face of transportation experts and environmental advocates who have argued exceptions would lessen the impact of the policy — both from the standpoint of traffic reduction and transit funding.

Rodriguez and Cabrera, the later of whom opposes congestion pricing outright, are the latest politicians to speak out following the Times’ investigation, though the issues had been reported before and overlooked by city, state and federal elected officials. New York Attorney General Letitia James announced an investigation into lending practices around taxi medallions and Mayor Bill de Blasio followed with a separate investigation into the brokers involved in arranging the loans.

“The review will set down strict new rules that prevent broker practices that hurt drivers,” de Blasio said in a statement.

“It’s unacceptable to prey on hardworking New Yorkers trying to support their families and we’ll do all that we can to put an end to it.”

It’s not clear yet what impact the congestion surcharges will have on the yellow cab industry, though the former commissioner of the city’s Taxi & Limousine Commission predicted they would be “[devastating](#).” Yellow taxi trips have actually increased slightly as the new fees took effect, from 247,315 average daily trips in January of this year to 252,634 in March. But monthly averages tend to have sizable fluctuations and trips are still down when you compare that three-month span to the same point last year — part of a long downward slide in trips that came as e-hails like Uber and Lyft flooded the city with cars.

The MTA and the governor’s office did not respond to requests for comment.

“Without an exemption from the congestion surcharge, taxi drivers — whether they are lease-drivers or owner-drivers — simply won’t earn enough to survive, even if their expenses go down,” said Bhairavi Desai, the executive director of the New York Taxi Workers Alliance.

<https://www.amny.com/transit/congestion-pricing-taxi-drivers-1.31396392>

## [The Guardian- The thorn in Trump's side: New York attorney general leads barrage of investigations](#)

*Letitia James has grabbed the attention of the president by launching investigations into his business dealings*

By: Erin Durkin

May 21, 2019

While running to be New York’s attorney general, Letitia James did not mince words about Donald Trump. She [called him](#) an “illegitimate president” who should be removed from office, and vowed to use every legal avenue to investigate Trump and his business dealings.

Since taking office at the beginning of the year, she has toned down the rhetoric but she has let subpoenas do the talking instead – pursuing a barrage of investigations and emerging as a major thorn in the side of Trump and his political allies and notching up successes where even Congress has been blocked.

Trump himself has taken notice. After the attorney general [launched an investigation](#) into the National Rifle Association, Trump said in a tweet that the gun group is “under siege” by James and New York governor Andrew Cuomo, and accused them of “illegally using the state’s legal apparatus to take down and destroy this very important organization, & others”.

Earlier, he complained that James “openly campaigned on a GET TRUMP agenda” and called her investigations “part of the Witch Hunt Hoax”.

The attorney general has issued subpoenas as part of an investigation into the non-profit status of the NRA, where an internal power struggle has exposed allegations of financial mismanagement.

That came after her office launched an investigation into Trump’s own finances, sending subpoenas to Deutsche Bank, which has made loans to the president’s businesses. The investigation was prompted by former Trump lawyer Michael Cohen’s testimony that Trump falsely inflated his assets while seeking loans.

“We follow the facts and the evidence wherever it leads, and no one is above the law,” James said last week at her lower Manhattan office. “Including powerful organizations such as the NRA. Including the most powerful individual in this country, the president of these United States. It’s really about the rule of law.”

Unlike similar subpoenas from Congress, which Trump and his children sued the bank to block, there has been no effort so far to quash the attorney general’s subpoenas, and the bank has begun turning over documents, James said. She hopes to review Trump’s tax returns as well.

James is also pursuing legislation to change the state’s double jeopardy laws, so that any Trump associates pardoned by the president for federal crimes could be charged on the state level.

Her lawyers argued before the supreme court in a lawsuit seeking to stop the administration from adding a question on citizenship to the US census, and investigators are investigating complaints of labor violations at the Trump National Golf Club Westchester in the New York suburbs.

Democratic attorneys general across the nation have fought Trump with scores of lawsuits, but the powers of James’s office and her perch in the president’s home state positions her as a unique threat.

“Trump has decades of complex and shady business deals that make for a target-rich environment,” said Eric Soufer, who was a senior counsel in the attorney general’s office before James took over.

The state’s financial fraud laws give the attorney general “incredible power” to demand documents and records, said Paul Nolette, a political science professor at Marquette University.

“New York is in a unique position to lead a lot of these investigations,” he said. “Number one, they have the resources to take Trump on, and number two, they have the location where Trump is potentially most legally vulnerable.”

New York has joined 51 multi-state lawsuits against the Trump administration, including 26 where it has led the group – the most of any state, according to Nolette’s count.

When James took office in January, she became the first black woman to serve as attorney general – and the first to hold any statewide office in New York.

A Brooklyn native, she was New York City’s public advocate, a job that has virtually no formal power, but has often been a springboard to higher office. Mayor Bill de Blasio was also public advocate before he won his current job.

James had been eyeing the mayor’s office too, until the resignation of Eric Schneiderman, accused of violent behavior against multiple women, created a sudden vacancy for attorney general.

She jumped into the race as the early front runner, although some of her one-time allies on the left, put off by her embrace of Cuomo, flocked to law professor Zephyr Teachout instead. In the end, James prevailed in a four-way primary, and easily defeated her Republican opponent.

As some progressives look to James as their next best hope to hold Trump accountable after the conclusion of the Mueller investigation, conservative critics say her approach is excessively partisan for a law enforcement office and she should focus on troubles closer to home.

"She is trying to make a name for herself as a partisan," said Joe Borelli, a Republican city councilman and one of the few prominent Trump supporters in New York politics. "If she cared about public corruption, she would be investigating the governor of her own state, whose top aides and allies are now in prison and who disbanded his own investigative commission when it began to look at him."

Trump lawyers have taken the feud beyond Twitter, arguing in court papers that a suit against Trump's charitable foundation should be rejected because it is "the product of the attorney general's animus and bias against President Donald J Trump and it was filed for improper, biased and political reasons".

The foundation agreed to dissolve as part of a settlement with the AG's office, which alleged its funds were misused for political and personal purposes, but James has continued to pursue it for damages and seek an order banning Trump and his children from running New York charities.

Some staffers in the AG's office were "taken aback" by James's comments during the campaign, Soufer said, but he added she has conducted the investigations responsibly since taking office.

"All of the investigations and work around the Trump administration have been taken on in a very credible way. I don't think anyone can credibly accuse the office of overreaching in any of those areas," he said.

<https://www.theguardian.com/us-news/2019/may/07/the-thorn-in-trumps-side-new-york-attorney-general-leads-barrage-of-investigations>

## Law 360- Weinstein Co. Demands Say In Sex Abuse Settlement Talks

By: Jeff Montgomery

May 21, 2019

Law360, Wilmington (May 21, 2019, 5:39 PM EDT) -- Harvey Weinstein's bankrupt former corporate flagship warned that it has to be part of any potential insurance settlement with his sexual abuse accusers late Monday, in response to those opposing its hiring of attorneys for talks on director and officer policy payouts.

In the reply, filed in U.S. Bankruptcy Judge Mary F. Walrath's court, Weinstein Holdings — which severed ties with Harvey Weinstein earlier in the case — said it was a necessary party to any settlement, and cautioned that its omission and attempts to bar its retention of counsel are "the surest way to eliminate any prospect of a resolution."

On May 15, attorneys for the unsecured creditors, the New York state attorney general and dozens of women who sued the debtors over Weinstein's alleged abuse said the debtors' proposal to retain Bernstein Litowitz Berger & Grossmann LLP would delay a looming settlement. Also, the objectors said, the debtors' new counsel could seek as much as 30% of the deal proceeds, diverting compensation from victims.

"To be clear, there can be and will be no settlement of the D&O Claims, 'global' or otherwise, without the debtors being represented by counsel in connection with those claims," Weinstein Holdings said in reply. The objection added that the debtors remain the estate's fiduciary and "must be informed about the claims, their potential value, and the risks and potential rewards of pursuing or settling them."

Weinstein Holdings acknowledged that it had granted the unsecured creditor committee standing to "investigate, prosecute and settle certain claims and causes of action" in November. But that standing was revoked in a court filing on April 23, following the debtors' conclusion that committee efforts to reach a settlement had failed.

"Accordingly, at this time, neither the committee nor the tort claimants has any authority to negotiate a resolution of D&O claims," the debtors' response said, adding that they give "no credence" to what they described as the latest in a long string of imminent deal reports.

In a related development Monday, the unsecured creditors' committee filed an emergency motion to adjourn a hearing on the debtors' motion to hire Bernstein Litowitz, currently slated for Thursday.

The motion said that Weinstein Holdings' arguments that it should pursue settlements because the tort claimants' effort had stalled were "premature," and it pointed to reports that a settlement proposal is nearing completion amid "highly adversarial" mediation led by Jed Melnick.

The committee requested a 12-day delay to continue mediation, saying it would be "a negligible amount of time in light of the tremendous amount of time and resources that have been spent to bring the parties to the mediation to the brink



of settlement."

The Weinstein Co. filed for Chapter 11 in March 2018 with plans for a sale after sexual assault allegations came to light against Harvey Weinstein, who is no longer employed by the company or serving on its board.

In July 2018, the court approved the sale of nearly \$290 million of film assets and other Weinstein Co. holdings to Lantern Entertainment, which is affiliated with Spyglass Media Group LLC.

Disputes over the status of film contracts between the company and actors, producers and directors have continued to roil the bankruptcy, which is awaiting a ruling on a request to convert the case to Chapter 7 liquidation.

Harvey Weinstein still faces a cloud of suits, including civil cases before three judges featuring claims by women that he forced or coerced them into sex acts starting in the 1990s. He also faces trial on criminal assault claims in September.

Comment was not immediately available from the creditor committee or New York attorney general's office.

The debtors are represented by Mark D. Collins, Paul N. Heath, Zachary I. Shapiro, Brett M. Haywood, Joseph C.

Barsalona II and David T. Queroli of Richards Layton & Finger PA, and Paul H. Zumbro, George E. Zobitz and Karin A. DeMasi of Cravath Swaine & Moore LLP.

The unsecured creditors committee is represented by James I. Stang, Robert J. Feinstein, Debra I. Grassgreen and Colin R. Robinson of Pachulski Stang Ziehl & Jones LLP.

The New York attorney general's office is represented in-house by Sandra Pullman.

The other objectors are represented by Jeffrey R. Waxman of Morris James LLP, Elizabeth A. Fegan, Steve W. Berman and Shelby Smith of Hagens Berman Sobol Shapiro LLP, Edward S. Weisfelner, Sigmund Wissner-Gross and Howard S. Steel of Brown Rudnick LLP, Jeffrey Herman, Stuart Samuel Mermelstein and Arick Fudali of Herman Law, Laura S. Schnell of Eisenberg & Schnell, Genie Harrison of Genie Harrison Law Firm, Marie Henein and Alex Smith of Henein Hutchison LLP, Jill Greenfield of Fieldfisher, Negar Yazdani of BlackLion Law LLP, Aaron G. Filler and Chanel Katiraie of Tensor Law PC, Ronan Hynes of Keating Connolly Sellors, and Thomas Peter Giuffra and Jeremy Allan Hellman of Rheingold Giuffra Ruffo & Plotkin LLP.

The case is The Weinstein Co. Holdings LLC et al., case number 1:18-bk-10601, in the U.S. Bankruptcy Court for the District of Delaware.

<https://www.law360.com/media/articles/1161726/weinstein-co-demands-say-in-sex-abuse-settlement-talks>

## 27 East- Shinnecock Tribe Continues Billboard Work As Lawsuit With State Looms

By: Anisah Abdullah

May 21, 2019

The State Department of Transportation served the Shinnecock Indian Nation with a cease-and-desist letter on Friday, seeking to halt the tribe's billboard construction along Sunrise Highway in Hampton Bays and sparking the beginning of a legal battle that both parties are now preparing for.

The Nation ignored the request, as they had an earlier stop-work order issued by Southampton Town, and continued erecting the 61-foot-tall signs on Monday.

The contractor, Idon Media, was on site with heavy equipment and built most of the framework for the billboard on the south side of the highway. The northern billboard has not seen much progress in several weeks but likely will be completed shortly after the other is finished.

The Shinnecock Indian Nation Council of Trustees issued a press release Friday evening saying that the DOT sent its letter "without any legal basis." Tribal Trustees expressed their indignation toward both the state agency and Southampton Town government for what they consider to be unfair treatment, and a lack of respect of its status as a federally recognized Native American tribe.

"Today, the New York State Department of Transportation continued an unfortunate and unjust pattern of mistreatment and total disregard for the economic welfare and sovereignty of the Shinnecock Nation," the release read. It continued, "The [DOT] and Southampton Town officials have attempted to illegally impose state and town law on our sovereign territory by mis-characterizing a questionable easement that grants limited rights to build and maintain a highway, but never grants ownership rights in the Nation's land."

The DOT confirmed that afternoon that it was pursuing litigation through the state attorney general's office.

"The Department of Transportation, in consultation with the Attorney General's Office, is reviewing the matter and in the process of taking appropriate legal action," Glenn Blain, assistant director of communications for the DOT, said in a statement.

The state had remained quiet about the billboards for weeks while work progressed at the site. But DOT officials had been actively communicating with the Tribal Council during that time.

Tribal Trustees said they felt blindsided by the DOT in its latest actions to stop the billboard project and are ready to fight the issue in court. Council Chairman Bryan Polite said on Monday that the Nation would soon submit a court filing. "We did everything in our power to try to work with the town, the DOT and our state," Mr. Polite said. "We're very disappointed with the DOT and the lip service that they gave us over the last month, and are extremely upset." On Friday morning, State Police arrived at the construction site to serve a stop-work order against the Nation's contractor, Idon Media, on behalf of the DOT, Trustees said. This was the state agency's third stop-work order issued to the contractor since March 30.

So, later that day, the Council of Trustees said it met with the DOT's regional officials at their office in Hauppauge to sort out site plan discrepancies. This was one of several meetings in recent weeks that Nation officials viewed as an attempt to work together on the project, which Trustees stress that they did "as a courtesy" and not something they were required to do, since they do not recognize state authority over tribal lands.

Trustees then received a cease-and-desist letter from the DOT's headquarters in Albany upon returning from the meeting that afternoon. It stated that the project violates state highway laws and that all operations must cease immediately. It cited New York State Highway Law Section 52 and Vehicle and Traffic Law Section 1220-c, which both prohibit work within a state highway right-of-way without a work permit from the DOT.

Trustees are currently composing a response letter to rebut the assertions made. On Monday, the Nation posted its own work permit at the site, issued by tribal government, to allow its contractor to conduct all necessary work.

"We made it clear to them that we were not propelled to follow any of their guidelines, but that we would, in the interest of working with them, work with them toward doing the project from a safety standpoint, following their standards ... and we've been having these meetings all along," Council of Trustees Vice Chairman Lance A. Gumbs said. "And every time we went to a meeting, they would come back with something else that they wanted. Basically, they were stringing us along."

They also said the state did not notify them about plans to pursue legal action until the tribal officials read about it in an article published by The Press online on Saturday morning.

"Bring it on," Mr. Polite said as a response to the litigation. "We've been prepared for this."

Germain Smith, the tribe's general council secretary, said that the opposition, from government bodies and the public, have "lit a fire" within Nation members to pursue efforts to reacquire other property that they claim the town stole from them over a century ago, which they have sought in the past.

Additionally, in the tribe's press release sent out Friday evening, it mentioned that U.S. Representative Lee Zeldin had made "false statements" about the Westwoods property where the construction site is located.

Mr. Zeldin's office said it had simply shared this week that the U.S. Bureau of Indian Affairs had reported finding no records of the Westwoods land being held in trust. "Enforcement of federal highway law here is in the hands of [DOT] and New York attorney general," Katie Vincentz, a spokesperson of Mr. Zeldin's office, said in an email.

Tribal Attorney Tela Troge said the properties are fully owned by the tribe and not held in trust by the federal government, which she said backs up why they are exempt from highway regulations.

Mr. Polite also pointed out that the bureau's eastern regional office, which serves the Shinnecock Nation, said it did not have any contact with Mr. Zeldin's office regarding that information, based on recent email correspondence.

Ms. Vincentz clarified that the congressman's office was merely relaying information shared with him from the bureau, who she said was communicating with its regional department.

"As far as next steps, now that BIA has determined that the land was not held in trust, this issue is at the state level partially to determine, and New York State is researching, whether the 'Fee' land is aboriginal land," Ms. Vincentz said in an email on Saturday. "The federal government is not involved in that aspect."

Sunrise Highway crosses the tribe-owned Westwoods, and Ms. Troge has said the 1959 easement for the highway covers only the pavement itself. But she maintains that even that was an "illegal taking," because the agreement was not subject to an act of Congress, as the law requires when Native American lands are taken for municipal purposes. She also has said the status of Westwoods as aboriginal lands was strengthened by research during the Nation's federal recognition process, which uncovered much more detail connecting a wide swath of land to the tribe.

Shinnecock residents had been at the site every day since Saturday, showing "No Trespassing" signs to drivers.

Commuters had been slowing down both mornings and afternoons to view the activity at the site, causing stop-and-go traffic beginning several miles west of the billboard site that may become more backed up this Memorial Day weekend. The traffic slowdown generally broke once vehicles made it past the billboards.

<http://www.27east.com/news/article.cfm/Hampton-Bays/593615/Shinnecock-Tribe-Continues-Billboard-Work-As-Lawsuit-With-State-Looms>

## CBS New York- De Blasio Orders Investigation Into 'Predatory Practices' By Taxi Medallion Brokers

May 21, 2019

NEW YORK (CBSNewYork) – Mayor Bill de Blasio has ordered an investigation into alleged predatory practices by taxi medallion brokers.

“The 45-day review will identify and penalize brokers who have taken advantage of buyers and misled City authorities. The review will set down strict new rules that prevent broker practices that hurt drivers,” the mayor said in a statement Monday night. “It’s unacceptable to prey on hardworking New Yorkers trying to support their families and we’ll do all that we can to put an end to it.”

De Blasio’s announcement follows a New York Times report on what it called “reckless loans to low-income buyers.”

Medallion prices peaked in 2014, rising to more than \$1 million dollars. They now sell for less than \$200,000.

New York State Attorney General Letitia James said her office is also launching an investigation.

<https://newyork.cbslocal.com/2019/05/21/de-blasio-orders-taxi-medallion-investigation/>

## Patch- Probes Of NYC Taxi Industry Launched After Exposé

By: Noah Manskar

May 21, 2019

NEW YORK — New York City and state officials have launched probes into predatory lending practices in the taxi industry following an exposé in The New York Times.

In a 10-month investigation, the Times found industry inflated the prices of taxi medallions — which allow for the ownership of yellow cabs — and gave cabbies "reckless" loans to buy them. The practices left many drivers saddled with debt, more than 950 owners of medallions have filed for bankruptcy, the report says.

A day after the investigation was published, state Attorney General Letitia James and Mayor Bill de Blasio announced inquiries Monday into the business practices that the Times exposed.

De Blasio said he ordered a 45-day review of "predatory practices" by taxi industry brokers that will identify and punish those who have misled the city and exploited buyers. The inquiry will involve the Department of Consumer Affairs, the Department of Finance and the Taxi and Limousine Commission, which regulates the city's taxi industry.

"The review will set down strict new rules that prevent broker practices that hurt drivers," de Blasio, a Democrat, said in a statement. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

James, also a Democrat, said her office is looking into the "disturbing" reports of business and lending practices that she said may have caused the city's medallion crisis.

"These allegations are serious and must be thoroughly scrutinized," James said in a Twitter post.

City Comptroller Scott Stringer also reportedly pushed for city action to address the crisis. In a letter to de Blasio, he recommended getting lenders together and urging them to forgive loans partially, the Times reported Monday.

While they're taking action now, the Times found that city and state officials ignored warnings that a dangerous bubble was forming in the taxi medallion market. The TLC passed the buck to "bank examiners," while the state's Department of Financial Services said federal authorities were often responsible for keeping an eye on banks in the industry.

"Nobody wanted to upset the industry," David Klahr, a former TLC staffer, told the Times. "Nobody wanted to kill the golden goose."

The Times's reporting came after a massive spike in foreclosure-related medallion sales. There were 381 such sales in 2018 — more than 10 times the 37 seen in 2017, records showed.

<https://patch.com/new-york/new-york-city/probes-nyc-taxi-lending-launched-after-expos>

## Gothamist-- De Blasio Announces Investigation Into Exploitative Taxi Industry After Years Of Neglect

By: Jake Offenhart

May 21, 2019

Mayor Bill de Blasio has ordered a review of predatory practices in the New York City taxi business, following [a scathing report in the New York Times](#) detailing how powerful industry leaders inflated medallion prices and exploited drivers as local officials willfully ignored warning signs about the collapsing market.

"The review will set down strict new rules that prevent broker practices that hurt drivers," the mayor said in a statement on Monday. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

After reaching a high of \$1 million in 2014, the price of a medallion has plummeted in recent years, with the city's largely immigrant drivers facing the brunt of the consequences. Close to 1,000 medallion owners have filed for bankruptcy,

and at least eight professional drivers have taken their own lives in the last 18 months.

But while that collapse has been widely blamed on the arrival of rideshare companies, a two-part Times investigation traces much of the devastation to lax oversight and reckless lending practices of shady brokers and big banks, which apparently saw an opening to take advantage of immigrant drivers. In some cases, drivers making \$30,000 a year said they were duped into signing contracts with hidden fees that left them on the hook for millions. Those contracts were fueled by practices "strikingly similar to those behind the housing market crash," according to the paper, and created a system that one analyst likened to "modern-day indentured servitude,"

In response to the reporting, de Blasio has announced a multi-agency investigation to be overseen by the Taxi and Limousine Commission, the Department of Finance and Department of Consumer Affairs over the next 45 days. New York Attorney General Letitia James will also probe the "disturbing reports" to see if lenders engaged in illegal activity. Beyond the egregious lending activity, the Times exposé suggests that federal, state, and city officials worsened the crisis, then essentially abandoned financially ruined drivers. Under Mayors Bloomberg and Mayor de Blasio, the city made more than \$855 million through selling taxi medallions and collecting taxes on private sales. Even as concerns about the medallion bubble swirled, the Taxi and Limousine Commission, a city agency ostensibly in charge of regulating the industry, declared the investment "better than the stock market."

While that regulatory neglect has roots in the early 1990s, the ruinous policies were continued by de Blasio, according to the Times. A close ally of the taxi industry, the current mayor and presidential candidate continued the practice of placing "political allies inside the Taxi and Limousine Commission and [directing] it to sell medallions to help them balance budgets and fund priorities." According to Politico, four of the mayor's ten major bundlers in his 2013 campaign had ties to the taxi industry. When the medallion market crashed, de Blasio opted not to fund a bailout.

On Monday, Council Member Ritchie Torres alleged that his own efforts to probe the industry were stymied by the de Blasio-controlled agency. "The T.L.C. hasn't just been asleep at the wheel, they have been actively stonewalling," he said.

Meera Joshi, the de Blasio-appointed leader of the T.L.C. who stepped down earlier this year, essentially admitted as much, telling the Times: "There were lots of players, and lots of people just watched it happen. So the T.L.C. watched it happen. The lenders watched it happen. The borrowers watched it happen as their investment went up, and it wasn't until it started falling apart that people started taking action and pointing fingers."

On Monday, the Taxi Workers Alliance, a group that represents drivers, praised New York officials for finally paying attention to the crisis. But they also wondered what took so long, and whether the city would actually take steps to help drivers impacted by decades of failed policy.

"We've been sounding the alarm on the crisis of suicides, foreclosures, and bankruptcies among our city's professional drivers for years," said NYTWA Executive Director Bhairavi Desai in a statement. "It shouldn't have taken nine suicides and thousands of families destroyed for people to listen, but we are determined to end this crisis."

[http://gothamist.com/2019/05/21/taxi\\_industry\\_medallion\\_probe.php](http://gothamist.com/2019/05/21/taxi_industry_medallion_probe.php)

## Atlantic Black Star- Is Mayor Bill de Blasio's Administration Targeting Black, Latino Communities for Foreclosure?

By: Tanasia Kenney

May 21, 2019

New York Mayor Bill de Blasio's administration has taken steps to foreclose on over 400 homes in Black and Latino communities under a controversial policy allowing the city to take away properties, along with years' worth of equity, from homeowners.

The efforts were uncovered by records from the city Department of Housing Preservation and Development, the New York Daily News reported.

City data shows that communities in Brooklyn, the South Bronx and upper Manhattan have been most affected by the policy, commonly known as the third-party transfer program. The city has launched transfers proceedings under the policy on approximately 69 buildings across the Brooklyn communities of Fort Greene, Crown Heights and Bedford-Stuyvesant since De Blasio's second year on City Council in 2015. Of those, seven properties have been transferred to interim owner and local nonprofit Neighborhood Restore.

Meanwhile, the city of New York also initiated third-party proceedings on an estimated 107 homes and foreclosed on 20 in local Council districts that includes Williamsburg, Bushwick, Brownsville and East New York, also in Brooklyn. Such was the case for three South Bronx districts, where 83 third-party proceedings have been launched since 2015, city data shows.

Eighteen of those properties are now under new ownership.



Citywide, the city has foreclosed 62 properties via the program in just the last four years. The program, which began in the 1990s under the administration of former New York Mayor Rudolph Giuliani as an alternative to the tax lien auctions that hit property owners who fall too far in arrears on property taxes or city water and sewer fees, gives the city more control over what happens to properties and their tenants than it would have for properties that fall into the hands of private bidders who snap up such buildings at auction.

Rising property values in neighborhoods that are becoming gentrified would increase taxes on properties in such communities, which often leaves many Black and Latino homeowners struggling to pay those higher tax bills and at risk of losing their homes.

De Blasio, who entered the race for president last week, announced in January his plans to expand the laws governing the contentious program, according to The Real Deal. Under his plan, seizure powers would be expanded in a new program to include “the worst buildings that have failed to correct violations and pay the debt they owe the City within a reasonable timeframe,” city officials said.

Not everyone is a fan of the program, however. Critics of the third-party transfers, particularly homeowners and lawyer-advocates, say the city has done a less-than-swell job of notifying property owners who are at risk of losing their investments.

“A lot of these homeowners had no idea these properties were being taken out from under them,” **Scott Kohanowski** of the **City Bar Justice Center’s Homeowner Stability Project** told the New York Daily News. “And the city takes all that equity. That’s the most appalling part.”

Others, including City Councilman Robert Cornegy, argued that the program has already “proven deeply problematic for black and brown homeowners” in the city’s outer boroughs.

Several local politicians, including new Attorney General **Letitia James**

Brooklyn borough president Eric Adams, have also criticized the program and called for it to be put under more scrutiny. Serge Joseph, an attorney for residents of a foreclosed property in the Bronx, said their co-op board didn’t receive any notice before the building was handed to a new owner.

“[They] thought their arrears were being taken care of,” said Joseph. “They entered into an agreement plan with the Department of Finance. Then out of the blue, they were informed the co-op no longer owned the building and that the deed was transferred to Neighborhood Restore.”

As reported by the Daily News, “The current debt threshold for the city to initiate third-party transfer is at least \$1,000 in city arrears for at least one year, or \$1,000 for at least three years” via the city’s Housing Development Fund Corporation program. However, the city has its eye on properties with large amounts of debt — \$900,000 to be exact.

City officials insist property owners and tenants are notified via mailed notices, fliers, robocalls, and even forums when their homes are being looked at for possible transfer. However, residents say it’s often too little, too late.

“[The city] told people there’d be no more shareholding, but they didn’t explain anything,” said Cecilia Jones, 74, who bought 250 shares for her unit in 1996. “They didn’t say why.”

Jones’ Dean Street apartment has since been taken over by Neighborhood Restore and the Bridge Street Development Corp.

<https://atlantablackstar.com/2019/05/21/is-mayor-bill-de-blasios-administration-targeting-black-latino-communities-for-foreclosure/>

Honolulu Civil Beat- Hawaii AG Joins Group Suing Trump Over Health Care

*Twenty-three cities and states want to block the administration’s rule alleged to allow discrimination*

By: Chad Blair

May 21, 2019

Hawaii Attorney General Clare Connors on Tuesday joined a coalition of 23 cities, states and municipalities in a lawsuit filed against a Final Rule issued by the Trump administration’s Department of Health and Human Services.

According to a press release, the rule seeks to expand the ability of businesses and individuals to refuse to provide necessary health care on the basis of businesses’ or employees’ “religious beliefs or moral convictions.”

The federal lawsuit, filed in New York, seeks to enjoin the rule and prevent it from going into effect.

“This rule is a license to discriminate,” said Connors. “It allows health care providers to refuse service based on personal beliefs about who is worthy of receiving the provider’s services. As such, it is a misinterpretation of religious freedom that could have devastating consequences.”



Connors joins New York Attorney General Letitia James in filing the lawsuit along with the City of New York, Colorado, Connecticut, Delaware, the District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois.

Roger Severino, director of HHS's Office for Civil Rights, promised to "defend the rule vigorously."

"The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades," [he said in a statement](#).

<https://www.civilbeat.org/beat/hawaii-ag-joins-group-suing-trump-over-health-care/>

## NY Post- How state Republicans plan to beat the Democrats

By: Bernadette Hogan

May 21, 2019

New state GOP Chairman Nick Langworthy, taking over a Republican Party in shambles, said Democratic overreach could help put more Republicans in office.

He said New York's anti-business climate and the Democratic Party's push to make it [easier to get abortions](#) has more people looking to the GOP.

"One of the most critical things that we have had people coming and enrolling in our party is because of the legalizing of the partial-birth abortion that the [state] Legislature slammed through, and then celebrated by lighting up the Empire State Building pink," Langworthy said at an Albany press conference.

"I think there are Democrats that have been appalled by that and you have people walking away from their party because they're disgusted by the Democrats celebrating," he added.

But Langworthy, 38, the Erie County chairman who [will succeed current chairman Ed Cox in July](#), also acknowledged he faces a daunting task. It will take more than a few policy differences with Democrats to stem the GOP decline; a Republican has not won a statewide race since 2002.

Massive losses in state and congressional races last fall crippled the party further. The Republicans lost control of the state Senate, their last bastion of power in New York.

Democrats, who hold a better than two-to-one voter enrollment edge, now control all levers of state government: the governorship, the Assembly and Senate, and the offices of comptroller and attorney general.

In some parts of the state — particularly most of New York City — the GOP is irrelevant.

Langworthy told The Post the party will have to do a better job of coordinating fundraising for all its candidates from the top of the ticket for statewide races to down-ballot legislative races.

All the statewide candidates last year — for governor, comptroller and attorney general — were blown out by double-digit margins, outgunned by better-financed incumbents: Gov. Andrew Cuomo, Comptroller Tom DiNapoli, as well as new Attorney General Letitia James.

When they were in the majority, thanks to a power-sharing deal, Republicans in the state Senate were able to raise donations, as money follows power. But they largely operated independently of the rest of the GOP establishment, and now the party fundraising apparatus is in deeper dire straits without the Senate as a power source.

"We need to invest in the infrastructure of our party . . . It's not just checks, it's the manpower to build a 62-county

party,” Langworthy told The Post.

“What hasn’t happened in the past is take a game plan to our contributors. We’ll re-engage, reinvest to find a way forward and have a plan and change the culture in the state of New York.”

He continued, “In the past, things seemed very separate. I wasn’t intimately involved in those arrangements, we’ll need as much collaboration as we can.

Langworthy said candidate recruitment will be a priority and that there will be sensitivities to regional differences, particularly between New York City and the more conservative upstate area.

Bombast that works in some areas is not the right approach in others, he said.

<https://nypost.com/2019/05/21/how-state-republicans-plan-to-beat-the-democrats/>

## Cannabis Now- Majority of Attorneys General Call for Passage of SAFE Banking Act

*A group of 38 attorneys general penned an open letter urging Capitol Hill to pass a pending bill that would give cannabis businesses access to the federal banking system*

By: Bill Weinberg

May 21, 2019

A bipartisan group of attorneys general from 33 states and five territories have sent a letter to Congress calling for swift passage of the Secure & Fair Enforcement (SAFE) Banking Act — legislation that would reform banking regulations affecting institutions that handle cannabis-related accounts.

The May 8 [letter](#) notes that a major new industry is currently barred by federal law from accessing financial services and states that passage of the [SAFE Banking Act](#) would serve the aims of “protecting public safety and bringing grey market financial activities into the regulated banking sector.”

All in all, 33 states and several U.S. territories have legalized medical marijuana. “However, because the federal government classifies marijuana as an illegal substance, banks providing services to state-licensed cannabis businesses... could find themselves subject to criminal and civil liability under the federal Controlled Substances Act and certain federal banking statutes,” the letter says. “This risk has significantly inhibited the ability of financial institutions to provide services to these businesses and companies.”

### *Contradiction Between State and Federal Law*

The letter stresses that “[d]espite the contradictions between federal and state law, the marijuana industry continues to grow rapidly. Industry analysts estimate 2017 sales at \$8.3 billion and expect those totals to exceed \$25 billion by 2025. Yet those revenues are handled outside of the regulated banking system.”

The AGs note that this disparity has absurd consequences: “Businesses are forced to operate on a cash basis. The resulting grey market makes it more difficult to track revenues for taxation and regulatory compliance purposes, contributes to a public safety threat as cash-intensive businesses are often targets for criminal activity, and prevents proper tracking of billions in finances across the nation.”

The letter also emphasizes that the signatories are not endorsing “the legalization of medical or retail marijuana in those jurisdictions that choose not to pursue such an approach.” Nonetheless, “the reality of the situation requires federal rules that permit a sensible banking regime for legal businesses.”

The SAFE Banking Act would create a “safe harbor” for financial institutions that service the cannabis industry. “An effective safe harbor would bring billions of dollars into the banking sector, enabling law enforcement; federal, state and local tax agencies; and cannabis regulators in 33 states and several territories to more effectively monitor cannabis businesses and their transactions.”

One glaring absurdity of the status quo is that the booming cannabis industry is heavily reliant on cash in a world economy that is fast going cashless. [National Public Radio](#) last month ran a report on the dilemma, tellingly entitled “Bags of Cash, Armed Guards and Wary Banks: The Edgy Life of a Cannabis Company CFO.”

Profiled is Tom DiGiovanni, chief financial officer with [Canndescent](#), a firm supplying pre-loaded vape-pens, connoisseur bud, high-end oils and other such posh products throughout California. But instead of “poring over balance sheets and bank statements,” his job “involves managing bags of cash by the millions which must be counted, then hauled in armored vehicles.” He is described going about his daily business in an “unmarked armored van where there’s a metal cage to protect the revenues for his company... from would-be thieves.”

Along with prominent signatories such as Xavier Becerra of California and Letitia James of New York, the attorneys general letter was signed by Edward Manibusan of the Northern Mariana Islands, which last year became the [first U.S. territory to legalize](#) cannabis; Leevin Taitano Camacho of Guam, which [followed suit](#) earlier this year; Denise George of the U.S. Virgin Islands, which [legalized medical marijuana](#) this year; and Wanda Vázquez Garced of Puerto Rico, which [legalized medical marijuana](#) in 2015.

The SAFE Banking Act is currently before the House Subcommittee on Crime, Terrorism, and Homeland Security, having already [cleared](#) the House Financial Services Committee in March. The bill’s co-sponsor, Rep. Ed Perlmutter, a Colorado Democrat, [tweeted](#) his appreciation for the attorney’s general letter. “This support underscores the need to get cash off our streets and allow legitimate cannabis businesses access to the banking system once and for all,” he wrote.

<https://cannabisnow.com/majority-of-attorneys-general-call-for-passage-of-safe-banking-act/>

NY 1- A.G. Letitia James Announces Lawsuit to Combat Health Care Discrimination From the White House (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=b669bda7-f9f6-46d6-8940-2d14408eb60c>

NY 1- State Attorney General Also Investigating Taxi Industry Practices (VIDEOS)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=e22893ea-e253-461f-9d38-2a0ca518e85d>

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=906cdd97-1a01-4fc5-bd9f-0f6938da8fa9>

ABC 7- New York Launches Probes into Practices of Taxi Medallion Brokers (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=c7dc4214-3963-4610-9a6d-a0bed63cf9cd>

WSYR (ABC Syracuse)- Double Jeopardy Bill (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=b3f32abf-9144-4445-8828-e7c3a682eff3>

News12 Westchester- Lawsuit to Stop Health Care Discrimination (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=0df3ca55-662c-464e-8a08-5bba723e6e44>

The Real Deal- Extell just went public with Central Park Tower listings

*Sales officially launched in October 2018*

By: E.B. Solomont

May 22, 2019

Seven months after launching sales at the most expensive condominium project in the city’s history, Extell Development has publicly listed the units at Central Park Tower.

In a departure from a trend among developers who never release listings publicly, the Gary Barnett-led firm listed seven units ranging from a two-bedroom that’s asking \$6.9 million to a five-bedroom asking \$63 million. The latter spans 7,074 square feet and has estimated monthly common charges of \$10,587 plus monthly real estate taxes of \$19,619.

With 179 luxury condos, the project at 217 West 57th Street has a projected sellout of more than \$4 billion — making it the priciest condo project in New York City to date. At 1,500 feet, it will also be the tallest residential building in the world.

There are 20 condos priced above \$60 million, including a penthouse that will ask \$95 million, according to the project's offering plan. Residences start on the 32nd floor, above a seven-floor Nordstrom and Central Park Club, a 50,000-square-foot amenity space across three floors that will feature billiards, a screening room, a basketball court and a 60-foot outdoor pool with cabanas.

Extell launched sales last year, several months after getting the green light from the New York Attorney General's office. It's unclear how many units Extell has sold to date; under terms of its \$1.4 billion in financing, the developer must sell \$500 million worth of units within three years.

In recent years, developers have opted to keep listings close to the vest — a tactic that's made it harder to track sales volume at a time when the luxury market is soft. Vornado Realty Trust has not listed any active listings at Central Park Tower. Three rentals are currently listed on StreetEasy, however.

<https://therealdeal.com/2019/05/21/extell-goes-public-with-central-park-tower-listings/>

## Business Insider- Top House Democrat: Reports of Deutsche Bank squashing shady Trump financial transactions 'reinforces the need' for Deutsche to comply with Congress' subpoena

By: Sonam Sheth

May 22, 2019

The chairwoman of the House Financial Services Committee told INSIDER on Tuesday that a New York Times article detailing how Deutsche Bank buried reports of potentially illegal financial activity linked to President Donald Trump and Jared Kushner "reinforces the need" for the panel "to obtain the documents we have subpoenaed from the bank."

"This proves my point that as the Financial Services Committee examines and considers reforms to our nation's anti-money laundering laws, we must consider issues as whether bank executives have too much discretion in the process for reporting suspicious financial activity to the Treasury Department, and the information we have subpoenaed from Deutsche Bank will help to inform that legislative process," Rep. Maxine Waters told INSIDER.

Waters' statement came after The Times reported that several Deutsche Bank employees flagged suspicious transactions involving legal entities controlled by Trump and Kushner, and recommended they be reported to the US Treasury Department's financial crimes unit.

But according to The Times, top executives at the bank declined to do so and the reports were never filed.

Tammy McFadden, a former Deutsche employee who used to work at the bank's anti-money laundering division, also told the outlet she reported a series of suspicious money transfers between Kushner Companies and Russian individuals at the height of the 2016 US election.

She discovered the transfers in the summer of 2016. At the time, Trump was the Republican nominee for president, and the Russian government's effort to interfere in the US election and propel Trump to the Oval Office was well underway.

Usually, a report like McFadden's would be reviewed by a team of anti-money laundering experts who work separately from the private-banking division, McFadden and two other former Deutsche Bank managers told The Times.

But in this case, the sources said the report went to managers in New York who were part of the private-banking division. They decided McFadden's concerns were unfounded and decided not to submit the report to the government's financial crimes watchdog.

Deutsche Bank has long been under scrutiny for its lax lending standards, as well as its willingness to do business with Trump when most other banks refused to work with him because of his financial troubles.

The House Financial Services Committee and the House Intelligence Committee subpoenaed Deutsche Bank in April as part of a joint investigation into Trump's financial dealings. They also subpoenaed JPMorgan Chase, Citigroup, and Bank of America as part of an investigation into Russian money laundering in the US.

Shortly after, Deutsche Bank began turning over documents to the committees. But Trump, his children, the Trump Organization, and the Trump family trust later [sued](#) Deutsche and Capitol One to prevent them from complying with congressional subpoenas.

The lawsuit alleges that the subpoenas "have no legitimate or lawful purpose" and were issued to "harass" Trump and "to rummage through every aspect of his personal finances, his businesses, and the private information of the President and his family, and to ferret about for any material that might be used to cause him political damage."

According to financial disclosures and public filings from 2012 to 2015, Deutsche has loaned Trump's businesses more than \$300 million to finance a golf course in Florida and hotels in Chicago and Washington.

Kushner has also disclosed that he and his mother have shared an unsecured line of credit from the bank ranging from \$5 million to \$25 million.

Deutsche Bank is also in the process of turning over documents about Trump's finances to the office of New York Attorney General Letitia James, a person familiar with the matter confirmed to INSIDER last month.

James in March subpoenaed Deutsche Bank and Investors Bank in New Jersey for records related to several Trump properties. James' subpoena was based on the testimony that Michael Cohen, Trump's former lawyer and longtime fixer, gave in February to the House Committee on Oversight and Reform.

<https://www.businessinsider.com/maxine-waters-deutsche-bank-subpoena-trump-kushner-2019-5>



## Contents:

Lawsuit to stop Health Care Discrimination:

[Politico Pro- James seeks to block Trump administration's 'health care refusal' rule](#)

[Associated Press- States sue over rule allowing clinicians to refuse abortions](#)

[Bloomberg- Trump Sued Over Rule Allowing Health-Care Religious Refusals](#)

[Reuters- U.S. states, cities sue to block Trump 'conscience' rule for healthcare workers](#)

[The Washington Times- Blue states sue over Trump's 'conscience' rule for health workers](#)

[CT Mirror- CT enters legal tussle over Trump administration's 'conscience rule'](#)

[The Hill- Democratic states, counties, sue Trump admin over religious protections rule](#)

[The Washington Post- Two dozen states, municipalities, sue over Trump's 'conscience' rule](#)

[Hartford Courant- Tong says Trump administration's new health care rule invites discrimination](#)

[New York Daily News- New York AG leads 22 states in suit to block Trump administration from allowing doctors and nurses to refuse health care based on religious beliefs](#)

[CNN- Blue states push back on Trump admin with lawsuits charging health care discrimination](#)

[Honolulu Civil Beat- Hawaii AG Joins Group Suing Trump Over Health Care](#)

[NY Post- How state Republicans plan to beat the Democrats](#)

[BuzzFeed News- States Are Fighting Back Against Trump's New Anti-Abortion, Anti-Trans "Conscience" Rule](#)

[Politifact- Trump says NY didn't fight SALT cap](#)

[NY 1- VIDEO](#)

[News12 Westchester- VIDEO](#)

Double Jeopardy:

[New York Law Journal- NY Legislators Approve 'Double Jeopardy' Legislation Aimed at Trump Pardon Power](#)

[NY State of Politics- Bill Curbing President's Pardon Power Heads To Cuomo's Desk](#)

[Newsday- NY moves to end 'double jeopardy loophole' for presidential pardons](#)

[NBC- New York lawmakers pass bill aimed at weakening Trump's pardon power](#)

[Talking Point Memo- NY Lawmakers Pass Bill To Change Double Jeopardy Law, Thwart Trump Pardons](#)

[NY Daily News- New York lawmakers take shot at Trump's pardon power, close 'double jeopardy' loophole](#)

[New York Times- Albany Closes a Loophole for Trump Pardons. Next Up: His Taxes](#)

[Huffington Post- New York Lawmakers Take Aim At Potential Trump Pardons](#)

[Associated Press- NY moves to ensure Trump pardons can't nix state charges](#)

[Times Union- Democratic lawmakers approve measure curbing Trump's pardon power](#)

[WSYR \(ABC Syracuse\)- VIDEO](#)

#### Taxi Medallion:

[CBS New York- De Blasio Orders Investigation Into 'Predatory Practices' By Taxi Medallion Brokers](#)

[Patch- Probes Of NYC Taxi Industry Launched After Exposé](#)

[Gothamist-- De Blasio Announces Investigation Into Exploitative Taxi Industry After Years Of Neglect](#)

[AM New York- Taxi drivers should be exempt from NYC congestion pricing, council members say](#)  
[NY 1- State Attorney General Also Investigating Taxi Industry Practices \(VIDEO\)](#)

[ABC 7- New York Launches Probes into Practices of Taxi Medallion Brokers \(VIDEO\)](#)

#### Cryptocurrency:

[Bitcoin Magazine- Tether Partly Backed by Bitcoin, Court Transcription Reveals](#)

[The Block- Tether admits in court to investing some of its reserves in bitcoin](#)

[Coin Telegraph- Tether Says It Invested Some of Its Reserves into Bitcoin and Other Assets](#)

[Coin Telegraph- Bitfinex and Tether Move for Case Dismissal Over Lack of Jurisdiction](#)

[AMB Crypto- Tether \[USDT\] worth 12 million sent from Tether treasury to unknown wallet](#)

[Block Chain Reporter- Crypto News: Circle CEO Lashes Out at Congress over Lack of Regulation](#)

[Ethereum World News- Bitfinex and Tether \(USDT\) Attempt Dismissal of NYAG Case](#)

#### All Others:

[Atlantic Black Star- Is Mayor Bill de Blasio's Administration Targeting Black, Latino Communities for Foreclosure?](#)

[Daily Gazette- Tedisco: AG looking at St. Clare's pension crisis](#)

[New York Times- They Hoped the Catholic Church Would Reveal Their Abusers. They Are Still Waiting](#)

[Law 360- Weinstein Co. Demands Say In Sex Abuse Settlement Talks](#)

[27 East- Shinnecock Tribe Continues Billboard Work As Lawsuit With State Looms](#)

[The Guardian- The thorn in Trump's side: New York attorney general leads barrage of investigations](#)

[Cannabis Now- Majority of Attorneys General Call for Passage of SAFE Banking Act](#)

[The Real Deal- Extell just went public with Central Park Tower listings](#)

[Business Insider- Top House Democrat: Reports of Deutsche Bank squashing shady Trump financial transactions 'reinforces the need' for Deutsche to comply with Congress' subpoena](#)

CNN- Blue states push back on Trump admin with lawsuits charging health care discrimination

By: Kate Sullivan

May 22, 2019

Washington (CNN) New York Attorney General Letitia James [filed a lawsuit](#) Tuesday against the Trump administration, arguing that a new regulation would let health care providers discriminate and refuse care to patients based on religious or moral beliefs.

A [news release](#) sent by James' office says she is leading a coalition of 23 states, cities and municipalities suing to block a [Department of Health and Human Services rule](#) that would allow "businesses, including employers, to object to providing insurance coverage for procedures they consider objectionable, and allow individual health care personnel to object to informing patients about their medical options or referring them to providers of those options."

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients -- a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in the release.

"When the health of our residents is at stake, and the safety of vulnerable populations hang in the balance, we cannot rest until this 'health care refusal' rule is stopped," James added.

The lawsuit alleges the federal government could terminate hundreds of billions of dollars in federal health care funding if states or cities fail to comply with this rule. Public health programs that could be impacted, according to the release, include Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention and education, and mental health and substance abuse treatment.

The Department of Health and Human Services did not immediately respond to CNN's request for comment.

The lawsuit is yet another example of Democratic-led states stepping in to protect health care provisions that the Trump administration aims to gut. Democratic attorneys general have banded together in an attempt to defend the Affordable Care Act in federal court against a lawsuit in which GOP-led states are seeking to have the law invalidated. The Trump administration has refused to defend the law and has argued in favor of tossing it as well. In the new case, New York state was joined by New York City, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, Chicago and Cook County, Illinois.

The rule, which would go into effect in July, "drastically expands the number of providers eligible to make such refusals, ranging from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies," according to the release.

"Under the Rule, a hospital could not inquire, prior to hiring a nurse, if (s)he objected to administering a measles vaccination—even if this was a core duty of the job in the middle of an outbreak of the disease. Or an emergency room doctor could refuse to assist a woman who arrived with a ruptured ectopic pregnancy, even if the woman's life was in jeopardy," the release reads.

California Attorney General [Xavier Becerra filed a separate lawsuit Tuesday to block the rule](#), saying in a statement that it "harms women, LGBTQ individuals, and threatens our healthcare providers."

"A war is being waged on access to healthcare across our country from Alabama to Texas to Washington D.C., where once again the President and Vice President are issuing illegal rules that use healthcare as a political weapon while risking American lives," Becerra said in the statement.

*CNN's Tami Luhby contributed to this report.*

<https://www.cnn.com/2019/05/21/politics/new-york-coalition-suing-trump-health-care-discrimination/index.html>

Politico Pro- James seeks to block Trump administration's 'health care refusal' rule

By: Shannon Young

May 21, 2019

New York Attorney General Tish James led nearly two dozen states, cities and municipalities today in challenging [a Trump administration rule](#) that would expand the ability of businesses and employees to refuse to provide health care services that conflict with their religious or moral beliefs.

James [filed a lawsuit](#) in the Southern District of New York to prevent a final rule from the U.S. Department of Health and Human Services from taking effect in July.

The lawsuit alleges that the change would undermine the delivery of health care by allowing a wide range of providers — including ambulance drivers, emergency room doctors and others — to refuse care based on their personal views.

James called the rule "a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country."

"When the health of our residents is at stake, and the safety of vulnerable populations hang in the balance, we cannot rest until this 'health care refusal' rule is stopped," she said in a statement.

The New York AG's office and a coalition of states filed [a March 2018 comment](#) letter urging the then-proposed rule to be withdrawn.

<https://subscriber.politicopro.com/states/new-york/whiteboard/2019/05/21/james-seeks-to-block-trump-administrations-health-care-refusal-rule-9213557>

Associated Press- States sue over rule allowing clinicians to refuse abortions

By Larry Neumeister

May 21, 2019

NEW YORK – Nearly two dozen states and municipalities sued the federal government Tuesday to stop a new rule that lets health care clinicians decline to provide abortions and other services that conflict with their moral or religious beliefs.

The lawsuit in Manhattan federal court asks a judge to declare the rule unconstitutional and say it was passed in an arbitrary and capricious manner. The rule was issued by the Department of Health and Human Services and is scheduled to take effect in July. San Francisco had previously filed a similar action.

The department has said the rule requires hospitals, universities, clinics and other entities that receive federal funding to certify compliance with some 25 federal laws protecting conscience and religious rights.

Most laws pertain to medical procedures such as abortion, sterilization and assisted suicide.

The department has previously said that past administrations haven't done enough to protect such rights in the medical field.

The suit is being brought by Colorado; Connecticut; Delaware; the District of Columbia; Hawaii; Chicago, Cook County and the state of Illinois; Maryland; Massachusetts; Michigan; Minnesota;

Nevada; New Jersey; New Mexico; New York City and state; Oregon; Pennsylvania; Rhode Island; Vermont; Virginia; and Wisconsin.

A spokesman for federal government lawyers declined to comment on the lawsuit.

The city of San Francisco sued over the regulation on May 2, hours after President Donald Trump announced it during a White House Rose Garden speech marking the National Day of Prayer.

New York Attorney General Letitia James said the new lawsuit is meant to stop the federal government from "giving health care providers free license to openly discriminate and refuse care to patients."

She called it a "gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country."

According to the lawsuit, the rule drastically expands the number of health providers who can refuse to provide services, allowing everyone from ambulance drivers to receptionists and customer service representatives at insurance companies to cite the rule.

The lawsuit said the rule conflicts with various state laws requiring health care professionals to carry out certain actions even if they cannot comply with some health-care directives for reasons of conscience.

<https://www.apnews.com/283128836a38414bb502216dd0a08be1>

Bloomberg- Trump Sued Over Rule Allowing Health-Care Religious Refusals

By: Erik Larson

May 21, 2019

President Donald Trump's administration was sued by almost two dozen states and cities over a federal rule allowing businesses and individuals to refuse health-care services based on their religious beliefs or moral convictions.

The so-called conscience rule will encourage discrimination against women and the LGBT community by limiting access to contraceptive care and abortion as well as services required by transgender Americans, according to complaints filed Tuesday in federal courts in New York and California.

"A war is being waged on access to health care across our country from Alabama to Texas to Washington D.C., where once again the president and vice president are issuing illegal rules that use health care as a political weapon while risking American lives," California Attorney General Xavier Becerra, a Democrat, said in a statement announcing his lawsuit.

New York Attorney General Letitia James also sued, along with a group of states and cities that include Pennsylvania, Hawaii and Chicago, claiming residents will be put at risk. She said the new rule will allow ambulance drivers, emergency-room doctors and customer-service representatives at insurance companies to refuse care in violation of patients' constitutional rights.

The Department of Health and Human Services has said the rule change is needed to protect the religious freedom of employees who may object to some health-care procedures. It's part of a broader cultural clash between the religious right, who helped get Trump elected, and progressives who've been challenging his agenda in court.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients — a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in a statement.



The plaintiffs say they risk losing billions of dollars in federal health-care funding if states and municipalities fail to comply with the change.

Roger Severino, director of the HHS's Office for Civil Rights, said the rule provides enforcement tools for "conscience protection laws" that have been on the books for decades.

"HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments," he said in a statement.

[https://www.bloomberg.com/news/articles/2019-05-21/trump-administration-sued-over-religious-health-care-rule?utm\\_source=google&utm\\_medium=bd&cmpId=google](https://www.bloomberg.com/news/articles/2019-05-21/trump-administration-sued-over-religious-health-care-rule?utm_source=google&utm_medium=bd&cmpId=google)

## Reuters- U.S. states, cities sue to block Trump 'conscience' rule for healthcare workers

By: Jonathan Stempel

May 21, 2019

NEW YORK (Reuters) - A coalition of 23 U.S. states and municipalities sued the Trump administration on Tuesday to stop it from enforcing a rule that would make it easier for doctors and nurses to avoid performing abortions on religious or moral grounds.

The lawsuit led by New York Attorney General Letitia James said the expanded "conscience" protections could undermine the ability of states and cities to provide effective healthcare without jeopardizing billions of dollars a year in federal aid.

It also said the rule would upset legislative efforts to accommodate workers' beliefs while ensuring that hospitals, other businesses and staff treat patients effectively.

Sterilizations and assisted suicide are among other medical procedures that might be affected, according to the complaint filed in federal court in Manhattan.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients," James said in a statement.

The rule is scheduled to take effect on July 22. It will be enforced by the U.S. Department of Health and Human Services.

Roger Severino, director of HHS' Office for Civil Rights, said in a statement: "The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades. HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments. We will defend the rule vigorously."

President Donald Trump, a Republican, has made expanding religious liberty a priority, and the proposed rule drew support from anti-abortion activists.

Critics, including some civil rights medical groups, have said the rule could deprive some patients, including gay and transgender people, of needed healthcare because they might be deemed less worthy of treatment.

The lawsuit said the rule could even prevent hospitals from asking applicants for nursing jobs whether they opposed giving measles vaccinations, even during an outbreak.

So far in 2019, the worst U.S. measles outbreak in a quarter century has sickened 880 people, the U.S. Centers for Disease Control and Prevention said on Monday.

The 23 plaintiffs in Tuesday's lawsuit are led by Democrats or often lean Democratic.

They also include New York City, Chicago and Washington, D.C.; the states of Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota,

Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Wisconsin; and Cook County, Illinois.

Hundreds of lawsuits by Democratic-leaning states and municipalities have targeted White House policies under Trump.

The case is New York et al v U.S. Department of Health and Human Services et al, U.S. District Court, Southern District of New York, No. 19-04676.

<https://www.reuters.com/article/us-usa-healthcare-religion-lawsuit/u-s-states-cities-sue-to-block-trump-conscience-rule-for-healthcare-workers-idUSKCN1SR2DV>

The Washington Times- Blue states sue over Trump's 'conscience' rule for health workers

By: Tom Howell Jr.

May 21, 2019

Blue state leaders filed suit Tuesday against a Trump administration rule that shields doctors or nurses who object on religious grounds to participating in abortions or other medical procedures.

The lawsuit says the conscience protections, which thrilled President Trump's pro-life base, are overly broad and could undermine care, while threatening billions of dollars in federal aid if states and cities refuse to comply.

"This change to put providers above patients comes at a dangerous price: it will undermine the plaintiffs' ability to administer their health care systems and deliver patient care effectively and efficiently," the lawsuit says.

New York Attorney General Letitia James, who is leading the lawsuit, wants federal judges in the Southern District of New York to enjoin the rule, before it takes effect this summer.

President Trump broadcast the new rule during a National Day of Prayer celebration at the White House, portraying it as his latest effort to safeguard religious liberty.

Under the rule, doctors and health care entities would not be forced to make referrals or provide, pay for or offer coverage of procedures like abortion, sterilization or assisted suicide if it violates their beliefs.

Hospitals, universities and other facilities receiving federal money must verify they are complying with 25 federal statutes that preserve conscience and religious-freedom rights, officials said. The government may strip them of funding if they fail to do so.

The Health and Human Services Department says the rules are designed to make sure hospitals, clinics and other providers do not skirt existing laws designed to protect providers who object to offering certain services.

Yet Ms. James' office said the rule "drastically expands the number of providers eligible to make such refusals, ranging from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies."

She also argued health care facilities will have no recourse when health-care workers reject an employer's attempt to accommodate their religious beliefs.

Opponents of the rule are particularly worried the rule could strip services from women and LGBTQ patients.

The suing states say they face the "Hobson's choice" of altering their standards of care or risking the loss of federal funds.

"This financial exposure could amount to hundreds of billions of dollars each year," the lawsuit said, adding that racial and ethnic minorities will be disproportionately harmed by the loss of federal money.

Ms. James argues the rule takes an end-run around Congress' power over the purse, and violates the Constitution's establishment clause by forcing health providers to "accommodate the religious objections of their employees, whatever the cost."

The Justice Department declined to comment on the suit, though HHS said its rule was carefully vetted.

"The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades," said Roger Severino, director of the HHS Office of Civil Rights.

"HHS finalized the conscience rule after more than a year of careful consideration and after analyzing over 242,000 public comments. We will defend the rule vigorously," he added.

Besides New York state, plaintiffs joining the lawsuit include the City of New York, Colorado, Connecticut, Delaware, D.C., Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois.

<https://m.washingtontimes.com/news/2019/may/21/blue-states-sue-over-trumps-conscience-rule-for-he/>

CT Mirror- CT enters legal tussle over Trump administration's 'conscience rule'

By: Jenna Carlesso

May 21, 2019

Connecticut is joining nearly two dozen other states in suing to block an expanded Trump administration policy that shields health care workers who oppose abortion, assisted suicide, sterilization and other procedures on religious or moral grounds.

The so-called conscience rule allows workers to refuse medical treatment to people, even during emergency situations. The mandate would dramatically expand the number of providers eligible to make refusals, including ambulance drivers, emergency room doctors, receptionists and customer service representatives at insurance companies, and establishes guidelines for punishing institutions with the loss of federal funds if they fail to honor the rights of such workers.

"This rule is yet another politically motivated attack on the health of the American people – particularly women and LGBTQ individuals who already face needless hurdles accessing health care," state Attorney General William Tong said Tuesday. "While the Trump administration panders to an anti-choice and homophobic fringe, patients' lives are at risk. This rule is dangerous, wrong and unlawful."

Some organizations have already expressed fear that the order could endanger access for people seeking reproductive health care, lead to discrimination against gay or transgender patients and hinder a push to expand childhood vaccinations.

Under the rule, a hospital would be unable to inquire, prior to hiring a nurse, if he or she had objections to administering a measles vaccine, even if it was a core duty of the job, Tong said. An emergency room physician could refuse to assist a female patient with a ruptured ectopic pregnancy, even if the woman's life was in jeopardy.

The edict also would permit employers to refuse insurance coverage for procedures they consider objectionable, and allow health care workers to avoid informing patients about their medical options.

The lawsuit, led by New York Attorney General Letitia James, charges that the rule violates the federal Administrative Procedures Act and the spending clause and separation of powers principles in the U.S. Constitution. Twenty-one other cities and states, including Delaware, Michigan, Minnesota and Washington D.C., are plaintiffs in the lawsuit.

In Connecticut, the mandate conflicts with state statutes and regulations that require providers to offer care in emergency scenarios, to obtain informed consent from patients before providing or denying care, and to arrange for care when providers are unable to offer treatment based on personal or ethical reasons.

"We take pride in everything we've done to protect the rights of women and other marginalized groups, particularly when it comes to ensuring that government will not get in the way of a woman having the ability to make her own medical decisions," Gov. Ned Lamont said in a statement. "This rule infringes on the sovereign right of states to ensure that patients are receiving accurate and complete medical advice and care, free from any personal or religious biases."

<https://ctmirror.org/2019/05/21/ct-enters-legal-tussle-over-trump-administrations-conscience-rule/>

### Hartford Courant- Tong says Trump administration's new health care rule invites discrimination

By: Josh Kovner

May 21, 2019

Sensing danger in a Trump administration move to relax protections against discrimination in health care, Connecticut Tuesday joined a group of 23 states and cities in a federal lawsuit to block the erosion of those safeguards.

The U.S. Department of Health and Human Services has endorsed a rule, effective in July, that would allow health providers and employees to refuse to provide treatment based on someone's "religious beliefs or moral convictions," according to a lawsuit filed by New York Attorney General Letitia James.

Connecticut Attorney General William Tong has followed New York's lead, saying the rule "panders to an anti-choice and homophobic fringe," and endangers people, particularly women and LGBTQ individuals, "who already face needless hurdles [in] accessing healthcare."

The rule grants a wide range of health care institutions and individuals a right to refuse care, based on the provider's own personal views.

But New York, Connecticut and the other coalition members allege the expansion is far too broad, enabling ambulance drivers, emergency room doctors, and even receptionists and customer service representatives at insurance companies to deny care.

In contrast, said Tong's office, Connecticut requires that health care professionals provide care in emergency situations, obtain informed consent from patients before providing or denying care, and to arrange for alternative care when providers are unable to offer treatment for personal or ethical reasons.

Joining New York and Connecticut in filing the lawsuit are the City of New York, Colorado, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois.

The federal lawsuit, filed in the Southern District of New York, seeks to prevent the rule from going into effect.

The rule would also prohibit hospitals from fully vetting certain key employees, Tong's office said in a news release Tuesday.

For example, a hospital could not ask a prospective nurse if he or she "objected to administering a measles vaccination— even if this was a core duty of the job in the middle of an outbreak of the disease."

The rule would allow an emergency room doctor "to refuse to assist a woman who arrived with a ruptured ectopic pregnancy, even if the woman's life was in jeopardy," Tong's office said.

Gov. Ned Lamont said a rule expanding the opportunity to deny care doesn't sit well in a state that takes "pride in everything we've done to protect the rights of women and other marginalized groups." He said this was particularly true "when it comes to ensuring that government will not get in the way of a woman having the ability to make her own medical decisions."

Under the rule, the federal government could terminate funding to those states and cities it deems to be in non-compliance. Tong's office said that could mean billions of dollars in lost funding for Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention, and substance abuse treatment.

<https://www.courant.com/news/connecticut/hc-news-tong-sues-trump-health-discrimination-20190521-5fmhxjxukbf7piwmogir76v3iy-story.html>

AMB Crypto- Tether [USDT] worth 12 million sent from Tether treasury to unknown wallet

By: Akash Girimath

May 21, 2019

Tether has been the center of rumors and speculation for a long time; however, the rumors and speculations reached a peak when NYAG, Letitia James, filed a lawsuit against Bitfinex and Tether for defrauding investors by covering up losses.

The lawsuit might have subsided after the new injunction by New York Supreme Court, but it is likely to resurface again. As per data obtained from CoinMarketCap, the market cap of Tether increased by a couple hundred million in the past month, which adds fuel to the rumor surrounding the exchange. Moreover, about 12 million USDT was moved from Tether Treasury to unknown wallets as seen on Ether Scan.

The funds were split into two transactions, ~5 million USDT and ~6.7 million USDT sent from a single wallet 5754284f345afc66a98fbb0a0afe71e0f007b949 to wallet b1fa690155821bf9191d609593b556048aca517c and

7c7019a8a4e8f0b900b88a3efca951b73afab9e8. The sender has a balance of 42 million USDT.

In addition, the above chart by CoinMarketCap shows how the market cap of Tether [also circulating supply] has increased by over a \$300 million in a month, i.e., \$2.6 billion to \$2.9 billion.



Moreover, according to The Block, Tether also admitted in court to investing some of its reserves in Bitcoin. The article stated:

"Prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin."

<https://ambcrypto.com/tether-usdt-worth-12-million-sent-from-tether-treasury-to-unknown-wallet/>

New York Daily News- New York AG leads 22 states in suit to block Trump administration from allowing doctors and nurses to refuse health care based on religious beliefs

By: Dave Goldiner

May 21, 2019

New York Attorney General Letitia James is leading a coalition of states suing to block a planned move to give health care workers more latitude to refuse to treat patients over their personal opposition to procedures from measles shots to birth control.

The lawsuit seeks to roll back a new federal "Final Rule" permitting hospitals or individual doctors and nurses freedom to use their own religious beliefs as an excuse to not offer needed medical treatment.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients," James said in a statement. "(It's) a gross misinterpretation of religious freedom that will have devastating consequences."

President Trump and fellow Republicans defend the rule as a way of insuring that the religious freedom of health care providers is respected.

They often compare the issue to that of merchants who refuse to serve LGBT clients because of their religious objection to homosexuality.

James says the new rule, which is scheduled to go into effect in July, would lead to anti-vaxxer nurses refusing to administer measles inoculations or emergency room doctors failing to perform lifesaving procedures on pregnant women. It would "vastly expand" so-called religious-freedom exceptions to include people like doctor's office receptionists and insurance agents to steer patients away from treatments they object to.

The rule would allow the federal government to deny billions of dollars in health care aid to states or cities that don't abide by the edicts. The lawsuit against the Health and Human Services Department was filed in Manhattan Federal Court.

<https://www.nydailynews.com/news/politics/ny-tish-james-trump-final-rule-health-refusal-to-care-measles-abortion-20190521-5elb4avpczcofhgp7uqpaxicwq-story.html>

Block Chain Reporter- Crypto News: Circle CEO Lashes Out at Congress over Lack of Regulation

By: Anna Larsen

May 21, 2019

Bitcoin was designed with principles of decentralization as its core ideology which means that cryptocurrencies weren't meant to be regulated by any central authorities in any way. As both cryptocurrencies and blockchain technology are still in the early stages authorities are struggling to settle on a regulatory path. The United States doesn't yet have a systematic

approach to the regulation of cryptocurrencies. Recently Jeremy Allaire, CEO and founder of Circle, a major Bitcoin wallet service, spoke on the matter in the company's official blog.

### **Geofencing kills trade**

The CEO claimed that this post was driven by the company's recent decision to "Geofence" 9 digital assets on crypto exchange Poloniex to US customers. He stated that he was "deeply frustrated" over the need for this action but it was a direct result of the recent guidance where regulators take a broad view of what is considered a security i.e.; anything that is tradeable online. Allaire believes that the regulators have failed to keep up with blockchain innovation and he is directly charging congress. The Blog stated:

"We believe that digital assets represent a fundamental(ly) new class of financial instrument that defies simple classification as security, commodity, or currency. Many digital assets occupy one, two, or all three depending on their context and use. Innovative technologies deserve new regulatory frameworks, and we will continue to advocate for change. But without Congressional action, the Securities and Exchange Commission is forced to rely on 85-year-old laws and 73-year-old court cases to develop guidance about which digital assets might be considered securities. These laws are inadequate to address crypto—which doesn't easily fall into established categories—and as a result, the SEC guidance isn't easy or straightforward to interpret."

Crypto Entrepreneurs are currently facing a lot of problems due to the lack of regulations. The SEC is inclined to enforce existing securities laws more broadly than it was intended. Regarding the recent SEC guidance, Allaire said it has created "more questions than answers." It is pretty clear that Congress needs to be doing something to consider digital assets anything other than a security. Regardless of that, the US securities commission has displayed a positive approach towards cryptocurrencies by addressing the world's two most popular cryptocurrencies; Bitcoin & Ethereum as not being Securities.

### **Lack of regulations causing trouble for crypto enthusiasts**

The lax attitude of regulatory bodies has resulted in a steady rise of various crypto-based crimes. There have been numerous cases of fraud via fake ICOs (Initial coin offerings) where the company just goes dark after the sale, false crowdfunding ventures that promise huge gains to the public, fake exchanges and crypto-based applications. Exchange hacks are another one of the recent problems that have peaked. As previously reported by the Blockchain Reporter, New Zealand-based cryptocurrency exchange Cryptopia was hacked this January where the firm lost \$2.5 million worth of ether. Similarly, in 2018, crypto exchange CoinCheck recorded a gigantic loss of \$533 million to hackers.

Recently the **New York attorney general** accused Bitfinex and its affiliate Tether Ltd. of covering up the \$850 million loss. Tether is one of the worlds most traded cryptocurrency because of its close to dollar value and stability. The acquisition raised many doubts. One can thus see the importance of having uniform regulations towards these fairly new technologies.

### **Congress and Cryptocurrencies**

It looks like the Congress isn't sure about how to approach regulation of cryptocurrencies. More than a dozen bills were introduced in the first three months of 2019. They seem to be eager to take on cryptocurrency regulation. Some of them aren't. Like Brad Sherman, a Californian Democrat who wanted the US to introduce a bill which would Barr all US Citizens from purchasing cryptocurrencies. Ultimately the Congress has the power to regulate

Cryptocurrencies under its exclusive constitutional power “to coin money” and “regulate the value thereof.” Thus it is their decision on how the United States deals with the currency of the future. The technology is not going away anytime soon as people have started recognizing its true potential so the Congress must figure out a way to make it happen.

<https://blockchainreporter.net/2019/05/21/crypto-news-circle-congress-regulation/>

## BuzzFeed News- States Are Fighting Back Against Trump’s New Anti-Abortion, Anti-Trans “Conscience” Rule

By: Dominic Holden

May 21, 2019

WASHINGTON — Two dozen Democratically led states, counties, and cities sued on Tuesday to overturn a new Trump administration rule that would protect health care workers who refuse medical procedures — like abortion, assisted suicide, or sex reassignment surgery — if it violates their “conscience.”

An 80-page complaint in federal court in Manhattan argues the policy could have dire effects for patients, particularly low income people of color, women, and LGBT people who disproportionately rely on government-backed health care systems.

The Department of Health and Human Services’ final rule is scheduled to take effect in July, and if implemented, it would cut off federal funds to institutions that prevent health care workers from recusing themselves on religious grounds.

The plaintiffs allege this is an attempt coercion, overstepping the federal government's authority and saying the “financial exposure could amount to hundreds of billions of dollars each year” for governments that use federal funding for their health care systems.

Workers could opt out of performing services without any advance warning to their employers, which would be banned from asking employees about religious objections in advance, the lawsuit says. They argue this undermines their own government-run healthcare systems, which including hospitals and health care agencies, by conflicting with local policies that ban discrimination.

“This change to put providers above patients comes at a dangerous price,” says the complaint in New York.

For example, court documents say, “If a woman arrives at the emergency room of one of Plaintiffs’ institutions presenting with a ruptured ectopic pregnancy, the Final Rule would permit a wide swath of employees – from receptionists to nurses to doctors to pharmacists to anesthesiologists – to refuse to assist that patient in real time, and without any advance notice, no matter the intense medical risk to the patient.”

They also contend employers could not ask if job applicant for a “nursing position had a religious objection to administering a measles vaccination, regardless of whether such a duty was a core element of the position needed during an outbreak of the disease.”

New York Attorney General Letitia James, who led the lawsuit, said in a statement Tuesday, “The federal government is giving health care providers free license to openly discriminate and refuse care to patients – a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country.”

Meanwhile, California Attorney General Xavier Becerra filed a second lawsuit on behalf of his state on Tuesday, saying the rule would let providers “deny service on the basis of a hunch or prejudice.”

James, Becerra, and other plaintiffs contend the rule violates the Administrative Procedure Act, because it is arbitrary, capricious, and an abuse of discretion. They add the rule violates the Spending Clause, which says states cannot be financially coerced into adopting preferred federal policies, while elevating certain religious beliefs above others in violation of the Establishment Clause of the First Amendment.

They are asking a US District Court judges in the Southern District of New York and the Northern District of California to issue orders permanently blocking the rule from taking effect.

Roger Severino, director of HHS's Office for Civil Rights, promised to "defend the rule vigorously."

"The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades," he said in a statement that says the agency considered more than 242,000 public comments before issuing the final rule.

The policy was first proposed in January 2018, along with the launch of HHS's new Conscience and Religious Freedom Division, which was created by the Trump administration.

The rule specifically protects "providers, individuals, and other health care entities from having to provide, participate in, pay for, provide coverage of, or refer for, services such as abortion, sterilization, or assisted suicide."

Although the new rule does not refer to transgender people explicitly, it protects providers who refuse them certain services. The rule cites the 1973 Church Amendment, which protects federal funding for recipients who object to sterilizations.

This allows providers to deny hormone therapy, hysterectomies, orchiectomies, and other transition-related services for transgender people that could result in sterilization, said Gillian Branstetter, a spokesperson for the National Center for Transgender Equality.

"Communities of color and other vulnerable populations will bear a disproportionate burden of the harms caused by the Final Rule," says the complaint filed in New York by the states and cities. "Patients reliant on federal funding for the provision of health care are disproportionately non-white compared to the overall population. And women and LGBTQI individuals who are already stigmatized in obtaining access to health care will be further hindered in obtaining the lawful medical services they need."

In addition to New York state, the lawsuit filed there was joined by New York City; Chicago; Washington, DC; and Cook County, Illinois. The states include Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin.

<https://www.buzzfeednews.com/article/dominicholden/states-lawsuit-trump-conscience-rule-abortion-lgbt>

## New York Times- Albany Closes a Loophole for Trump Pardons. Next Up: His Taxes

*The Legislature is poised to pass a bill that would allow three congressional committees to seek the release of President Trump's state tax returns*

By: Jesse McKinley

May 21, 2019

The New York State Assembly passed a bill on Tuesday that would allow state prosecutors to pursue charges against any individual granted a presidential pardon for similar federal crimes, closing a loophole that lawmakers said could be exploited by President Trump in a bid to indemnify former associates.

The bill, which has already passed the State Senate and has [the support of Gov. Andrew M. Cuomo](#), would exempt the state's so-called double jeopardy law from cases involving presidential pardons, something supporters say is necessary to stave off a possible abuse of Mr. Trump's pardon power.

On Wednesday, the Legislature — controlled by Democrats — is expected to pass [a separate bill](#) that would allow three congressional committees to seek Mr. Trump's state tax returns; that bill also has the support of Mr. Cuomo, a Democrat in his third term.

The legislative efforts may prove a viable way to circumvent the White House's stonewalling of attempts by the House of Representatives to investigate behavior of the Republican president and his subordinates. On Tuesday, Donald F. McGahn II, the former White House counsel, [ignored a House subpoena](#) to testify on attempts to obstruct the investigation into Russia's involvement in the 2016 election.

Paul J. Manafort, the president's former campaign chairman, is perhaps the most prominent [Trump associate](#) to be convicted and for whom a presidential pardon is considered a possibility. In March, the Manhattan district attorney's office [charged Mr. Manafort](#) with mortgage fraud and more than a dozen other state felonies; in 2018, Mr. Manafort [was convicted](#) of a raft of federal charges including tax fraud and bank fraud.

Like about two dozen other states, New York has forbidden state prosecutions on similar charges after a federal pardon, something that the new bill will change, according to Senator Todd Kaminsky, a former federal prosecutor who is the sponsor in that chamber.

"Either in the past or in a continuing manner, the president has talked about using the pardon power in a corrupt way to undermine the rule of law," Mr. Kaminsky said. "And I think New York doesn't have to sit by and let the capricious use of the pardon power tie its hands."

Republican lawmakers and leaders in New York have called the efforts "bills of attainder," aimed at a single person, and attacked them again on Tuesday.

"We're asked to set aside that fundamental concept of fairness and equity, not because we're faced with any actual situation, but a hypothetical situation," said Assemblyman [Andy Goodell](#), a Republican from Jamestown, N.Y.



That argument was echoed by the outgoing state Republican Party chairman, [Edward F. Cox](#), who said that the State Legislature was suffering from “Trump derangement syndrome.”

“They should be focusing on people in New York State, and what they need,” Mr. Cox said.

Republican ire was likely to be raised on Wednesday, too, as both the Assembly and the Senate planned [to pass the bill](#) creating a pathway for Congress to seek Mr. Trump’s state tax returns, which are likely to contain much of the same financial information as the president’s contested federal returns. New York is the president’s home state and the headquarters of his business. Efforts to obtain Mr. Trump’s federal tax returns have been repeatedly thwarted by the president’s refusals to release them, citing pending audits. That intransigence hit new heights in recent months, as the White House has [defied congressional](#) subpoenas and has said that Democrats will [“never” see his returns](#).

The White House had no immediate comment on the New York bills.

In remarks on the chamber floor before the vote, Assemblyman Joseph Lentol, a Democrat from Brooklyn, called passage of the double jeopardy bill a victory for states’ rights amid federal defiance.

“It has to do with presidential power, period,” Mr. Lentol said, adding, “This new law will confront any president, not just this one, who thinks that he or she can get away with washing away illegal behavior.”

Neither of the two bills specifically mentions Mr. Trump, though lawmakers have not been shy about their intentions to pursue the president’s financial information. There have also been efforts to avoid legal challenges, including several recent amendments to narrow the state tax bill’s focus to public officials, employees or officials in the federal executive branch, as well as other holders of government posts and political party leaders.

Senator Brad Hoylman, the sponsor of the tax-related bill, said New York “has clear authority to pass such legislation,” casting it as an effort to assist congressional oversight of the president.

“It’s possible Congress will acquire Trump’s tax returns on their own,” Mr. Hoylman said. “But I’d like to think that the State of New York is doing its part.”

After the vote on the double jeopardy bill, the state attorney general, Letitia James, thanked Mr. Lentol and Mr. Kaminsky in a news conference at her office in Albany. Ms. James, a Democrat whose predecessor, Eric T. Schneiderman, had [initially floated](#) closing the loophole, denied that the Legislature’s action was a politically motivated attack on the Trump administration.

"They are using pardons as a means of obtaining one's loyalty," Ms. James said. "And that is an abuse, as far as I'm concerned."

<https://www.nytimes.com/2019/05/21/nyregion/trump-tax-return-bills-new-york.html>  
 Newsday- NY moves to end 'double jeopardy loophole' for presidential pardons

By: Michael Gormley

May 21, 2019

ALBANY — The Assembly gave final legislative approval Tuesday to a bill that would allow prosecutors to bring state charges against a U.S. president and his associates who are accused of federal crimes and receive presidential pardons.

The bill is aimed at President Donald Trump, who has talked about pardoning loyal supporters as well as himself amid several investigations into his 2016 campaign, his actions in office, and his development company based in Manhattan.

The bill passed the Assembly 90-52. The State Senate passed it in May. Both votes were along party lines.

"Our objective is abuse of power ... to root out corruption and abuse of presidential power," said Assemb. Joseph Lentol (D-Brooklyn), the bill's sponsor in Tuesday's floor debate.

The bill would end a "double-jeopardy loophole" in state law that has prohibited New York prosecutors from charging people with state crimes similar to the federal crimes for which they were pardoned. It isn't retroactive to Trump allies already convicted of crimes.

"The threatened use of the pardon power in a corrupt way by this president certainly raised an important issue of why New York has a loophole tying its hands," said Sen. Todd Kaminsky (D-Long Beach), who led the effort in the Senate.

The bill seeks to separate a presidential pardon on federal crimes from state crimes.

"While the president has broad power to issue reprieves, pardons and other forms of clemency for federal offenses pursuant ... the power does not extend to granting clemency for state offenses," the bill states.

Republicans warned that the bill is a slippery slope that could erode many peoples' right against prosecution twice for the same crime.

"It's very easy to look at this in a very narrow sense," said Assemb. Edward Ra (R-Franklin Square). "But we all know laws have much broader implications than that, and we are really setting, to me, a very dangerous precedent."

"It is using New York state taxpayers' money for political causes, and not doing one thing to take people out of poverty, not one thing to create a job, not one thing to reduce taxes in our state," said Assembly Republican leader Brian Kolb (R-Canandaigua). "I think it's deplorable."

Gov. Andrew M. Cuomo supports the principle of the measure, but will want to review details of the bill before committing to signing it into law, said Cuomo spokesman Jason Conwall.

It is the latest of several efforts by New York Democrats to investigate Trump and his associates. The Assembly and the Senate are expected to pass a bill Wednesday that will allow Congress

access to Trump's state tax returns. Trump has refused to release his federal tax returns, which Democrats said are important to determine whether Trump has conflicts of interest between his presidency and his private development company, the Trump Organization.

Attorney General Letitia James also is using state laws to investigate Trump's company.

<https://www.newsday.com/news/nation/legislature-double-jeopardy-trump-1.31386956>

## Times Union- Democratic lawmakers approve measure curbing Trump's pardon power

*Legislation narrows New York's double jeopardy 'loophole'*

By: David Lombardo and Brendan J. Lyons

May 21, 2019

ALBANY — State lawmakers broke along party lines and have passed legislation designed to **curb the pardon power** of President Donald Trump.

The legislation would narrow New York's double-jeopardy laws to increase the ability of state and local prosecutors to take up cases that have already been resolved at the federal level. It was approved 90-52 in the Assembly on Tuesday with staunch backing from Democrats, and had passed the state Senate earlier this month without any Republican support.

The proposal takes specific aim at the president's powers and the amended law would apply to a pardoned individual who is related to the president, worked in the White House, served on the president's campaign, committed crimes to benefit the president, or helped the president avoid a criminal prosecution.

Assembly Democrats initially resisted passing the legislation in its current form because they believed it was too narrowly written, according to Assembly Joseph Lentol, a Brooklyn Democrat who sponsors the measure.

"You can't win in this business," he said. "Last year we had a very broad bill, and a lot of people complained because it was too broad."

On Tuesday in the Chamber, Lentol threw his support to the measure.

"This is time for change and when the federal government stumbles and does nothing, than the state of New York will fly into action," Lentol said. "This new law will confront any president, not just this one, who thinks he or she can wash away illegal behavior of some type."

Assemblyman Andy Goodell, a Republican from Chautauqua County, said the legislation would undo a century of legal precedent in New York affording double-jeopardy protections. He also noted that last year Gov. Andrew M. Cuomo had issued dozens of pardons, many to immigrants who could still be charged with federal crimes.

"Isn't this opening a Pandora's Box where you poke the president and now the president could respond ... by re-arresting 20 of the 29 people that were pardoned by Gov. Cuomo?" Goodell asked, adding that the pardons of the governor and president should be respected, not thwarted.

Another bill that will move to a vote in the Assembly Wednesday would allow the state tax department to turn over copies of the president's state tax returns to a congressional committee conducting an investigation.

Assemblyman John McDonald, D-Cohoes, was among the 52 Assembly members to vote "no" on the double-jeopardy measure.

"It just looks like we're playing politics with the state government. Let's face it, the only reason we're talking about these two bills is because of who currently occupies the White House," McDonald said. "I am not a fan of the current president, however, my focus is on my constituents. People need housing, they need jobs, they need food, they need affordable college, a solution to the opioid crisis and they want their taxes lowered. This does not help that."

Assemblywoman Mary Beth Walsh, R-Ballston, noted before voting "no" that the New York Civil Liberties Union issued a letter opposing the legislation.

"I don't see how we should really be supporting this and I will not be supporting it," she said. Assemblyman Michael Blake, D-Bronx, was more blunt in his commentary on the bill's intention to target Trump if he seeks to pardon people close to him.

"We are in an environment where we are dealing with a criminal in the White House," Blake said. "You cannot allow for such behavior to continue without responsible leadership." Despite the legislation's specific references to the president's family and close associates, state Attorney General Letitia James, who crafted the language, says it was tailored for anyone. The bill is less expansive than the proposal lawmakers failed to pass during last year's session, despite a public push from Cuomo.

If the governor signs the measure into law, the changes would take effect immediately and apply to future criminal offenses or cases that haven't begun.

The state's double-jeopardy laws came under scrutiny last year with the convictions of Trump campaign manager Paul Manafort and longtime Trump attorney and fixer Michael Cohen. Critics of the president raised concerns he may pardon one or both men, but he hasn't. Trump said that Cohen, who subsequently turned on his former patron, had asked White House attorneys to consider giving him a pardon and that Cohen later lied about that effort to Congress.

On Wednesday, Democrats in both house of the state Legislature are **expected to sign off on the legislation** enabling congressional Democrats to get their hands on Trump's state tax returns.

<https://www.timesunion.com/news/article/Democratic-lawmakers-approve-measure-curbing-13867394.php>

## Huffington Post- New York Lawmakers Take Aim At Potential Trump Pardons

*The state Assembly voted to permit authorities to bring state charges against individuals who have received presidential pardons.*

By: Antonia Blumberg

May 22, 2019

New York state lawmakers on Tuesday passed legislation tightening a “double-jeopardy loophole” that could undermine potential pardons by President Donald Trump. The state Assembly passed a measure that would permit authorities to bring state charges against individuals who have received presidential pardons for similar federal crimes.

“Our democracy survives because we have checks and balances,” Assemblyman Tom Abinanti (D) said during Tuesday’s vote, according to Courthouse News’ Adam Klasfeld.

The bill heads now to Democratic Gov. Andrew Cuomo’s desk for a signature.

Proponents of the bill say it’s necessary to ensure that state investigations into Trump, his family and associates aren’t derailed by potential presidential pardons.

“Right now the president’s threatened use of the pardon power is very troubling. It would be done to undermine an investigation to help out friends and family members,” state Sen. Todd Kaminsky, who sponsored the bill, told NPR on Tuesday.

New York Attorney General Letitia James, who spearheaded the effort to change the loophole, applauded the bill’s passage on Tuesday.

“Double jeopardy exists to prevent someone from being charged twice for the same crime, not to allow them to evade justice altogether,” James wrote.

Last summer, Cuomo pledged to sign legislation closing the double jeopardy loophole “the same day” lawmakers passed it.

“New York must have the ability to stand up against the abuse of power,” Cuomo wrote in August.

The governor referenced Paul Manafort, Trump’s former campaign chairman, who was indicted for tax and bank fraud as well as conspiracy. The president has hinted at a potential pardon for Manafort for the federal charges. The bill passed by New York’s Assembly on Tuesday would essentially ensure Manafort could still be prosecuted for the state charges.

The state legislature is poised to pass another bill Cuomo supports on Wednesday that would authorize state officials to release Trump’s state tax returns to Congress.



[https://www.huffpost.com/entry/new-york-double-jeopardy-loop-hole\\_n\\_5ce47b49e4b0d513447c06d5](https://www.huffpost.com/entry/new-york-double-jeopardy-loop-hole_n_5ce47b49e4b0d513447c06d5)

## NY Daily News- New York lawmakers take shot at Trump's pardon power, close 'double jeopardy' loophole

By: Denis Slattery

May 21, 2019

ALBANY — A presidential pardon won't be enough to keep those close to President Trump out of trouble in New York.

State lawmakers passed a measure Tuesday that will allow prosecutors to pursue state charges against a select group of people who have received a presidential pardon on federal crimes. The bill would allow state prosecutors to open or advance investigations into any pardoned person who served in a president's administration, worked directly or indirectly to advance their campaign or transition, or worked at a non-profit or business controlled by the president and whose alleged criminal activity took place in New York.

Attorney General Letitia James said the measure "ensures that in the event that a person receives a presidential pardon based on a close relationship or self-interest, New York would preserve its authority to pursue legal action against that individual for crimes committed under state law.

"This legislation is a commonsense, good government measure that will ensure a reasonable check on the presidential pardon power for not only this president, but all future presidents," James added.

The Attorney General's office has launched several probes into the president, his businesses, charities and associates. Trump's business empire and campaign are both based in the Big Apple.

James' office has led probes into the Trump Foundation that resulted in the dissolution of the president's non-profit charity and another that led to subpoenas being sent to Deutsche Bank and Investors Bank for financial information related to the president, including his 2014 efforts to purchase the Buffalo Bills.

Currently, state prosecutors cannot bring charges based on the same facts used to convict individuals of federal crimes for which they received pardons, creating a so-called "double-jeopardy" loophole.

Sen. Todd Kaminsky (D-Nassau), a former federal prosecutor, said the bill would cover pardons when there is a "clear conflict of interest" when the defendant is a former or current staff member, appointee or family member.

"New York will now join about 24 other states that will have its law say that a presidential pardon does not restrict it from pursuing crimes that are committed within its own borders," Kaminsky said.

The Democrat-led state Assembly passed the measure by a 90 to 52 margin, sending it to Gov. Cuomo, who is expected to sign it into law. The Senate approved it last week.

Republican Assemblyman Andy Goodell (D-Jamestown) questioned the constitutionality of the legislation during a debate with sponsor Joe Lentol (D-Brooklyn).

"Today we're being asked to overturn nearly 100 years of New York state history where we as a state have recognized the fundamental unfairness of double jeopardy," Goodell said.

Lentol admitted that the bill covered new ground for state lawmakers, but argued that they were well within their rights to close the loophole.

"We haven't been on this landscape where we as a state had to look at what the federal government was doing, specifically the president with regards to using the pardon power... and we tried to tread very carefully, because we didn't want to target the president we wanted to target the abuse," Lentol said.

<https://www.nydailynews.com/news/politics/ny-double-jeopardy-trump-pardon-albany-legislation-20190521-ccl4mqddqzgyndttfndw4es7hy-story.html>

### NBC- New York lawmakers pass bill aimed at weakening Trump's pardon power

By: Allan Smith

May 21, 2019

New York state lawmakers passed a measure Tuesday that would allow prosecutors to pursue state charges against certain individuals even if they have received a presidential pardon, a move seen as a direct shot at President Donald Trump.

New York's state Assembly passed the measure — which creates a narrow exception in the state's double-jeopardy law — by a 90-52 vote. New York law currently [prohibits](#) the state from prosecuting a person who has already been tried for the same crime by the federal government. The bill would make it easier for prosecutors in certain circumstances to pursue a case against someone who has received a presidential pardon for the federal conviction.

The exception would allow state prosecutors to open or advance investigations into any pardoned individual who served in a president's administration, worked directly or indirectly to advance their campaign or transition, or worked at a non-profit or business controlled by the president and whose alleged criminal activity took place in New York state. The exception also allows for investigations to be opened or continued into anyone who was pardoned for the president's benefit.

The change was backed by New York Attorney General Letitia James, [who is investigating Trump and his family members](#), and Democratic Gov. Andrew Cuomo, who has indicated he will sign the bill. Prosecutors and lawmakers who back the bill said the measure is necessary to ensure that investigations into the president, his associates and his business taking place at the state level are not derailed by pardons.

James, who led the charge to get the double-jeopardy law changed, [tweeted](#) soon after the bill's passage that double jeopardy "exists to prevent someone from being charged twice for the same crime, not to allow them to evade justice altogether."

"The rule of law is a core pillar of our nation's democracy and my primary role is to uphold it and ensure that no one is above it," she added.

[James has multiple](#) Trump-related investigations open at the moment, including the probe into the Trump Foundation that led to the dissolution of the president's charity and an investigation that involved James [subpoenaing](#) Deutsche Bank and Investors Bank for information on a set of

major Trump Organization projects and Trump's effort to purchase the NFL's Buffalo Bills in 2014.

Joseph Lentol, the Democratic assemblyman sponsoring the legislation, said the bill "will confront any president, not just this one," who believes they "can wash away illegal behavior." "Today we're being asked to overturn nearly 100 years of New York state history where we as a state have recognized the fundamental unfairness of double jeopardy," Goodell said, adding that lawmakers were being asked to set aside the "concept of fairness and equity not because we're faced with any actual situation but on a hypothetical situation."

Both the state Senate and state Assembly are under Democratic control. Since the bill already passed the state Senate earlier this month, it is now headed to Cuomo's desk for his approval. Democratic state Sen. Todd Kaminsky, the state senator who sponsored the bill and former federal prosecutor, said in a statement after the bill passed the Assembly Tuesday that the legislative effort was "crucial" to defend the justice system.

"With the President all but pledging to corruptly abuse his pardon power to allow friends and associates off the hook, it is crucial for us to close the double jeopardy loophole and preserve the rule of law in New York," Kaminsky said.

<https://www.nbcnews.com/politics/donald-trump/new-york-lawmakers-pass-bill-aimed-weakening-trump-s-pardon-n1008381>

Talking Point Memo- NY Lawmakers Pass Bill To Change Double Jeopardy Law, Thwart Trump Pardons

By: Cristina Cabrera

May 21, 2019

The New York State Assembly passed a bill on Tuesday that would close the state's double jeopardy loophole, thereby preventing President Donald Trump from using his pardoning power to shield himself or his associates from any criminal charges in New York.

Currently, Trump is able to pardon someone for federal crimes committed in New York, and New York would be prevented from filing state charges for those crimes against that individual. As former New York Attorney General Eric Schneiderman **put it**: "A defendant pardoned by the President for a serious federal crime could be freed from all accountability under federal and state criminal law, even though the President has no authority under the U.S. Constitution to pardon state crimes."

Under this new bill, New York prosecutors could pursue charges against someone who's been pardoned for federal crimes. The bill is not retroactive, so former Trump associates Paul Manafort and Michael Cohen wouldn't be affected. However, Trump and his family are currently under a **host of investigations** into their business dealings.

The New York state Senate approved the bill earlier this month, so all that's left is the signature of Gov. Andrew Cuomo (D), who already announced his support for the change last year.

“This loophole must be closed to ensure that these politically motivated, self-serving actions are not sanctioned under law,” Cuomo said in a **statement** in 2018. “New York must have the ability to stand up against the abuse of power.”

New York Attorney General Letitia James applauded the Assembly for passing the bill.

“This legislation is a commonsense, good government measure that will ensure a reasonable check on the presidential pardon power for not only this President, but all future presidents,” she said in a **statement**.

<https://talkingpointsmemo.com/news/new-york-state-assembly-double-jeopardy-law-trump-pardon>

### New York Law Journal- NY Legislators Approve 'Double Jeopardy' Legislation Aimed at Trump Pardon Power

By: Dan M. Clark

May 21, 2019

New York legislators gave final passage Tuesday to a bill that would allow state prosecutors, including New York Attorney General Letitia James, to prosecute those who've been pardoned of federal crimes by President Donald Trump.

That's currently not allowed in New York because of what Democrats who back the measure have called the “double jeopardy loophole,” a gap in state law that prevents state prosecutors from using the same set of facts to bring charges against a federally pardoned individual.

A bill to close that so-called loophole was approved Tuesday by the State Assembly after passing the State Senate earlier this month. The vote came down along party lines, with Democrats largely in favor of the legislation and Republicans in opposition.

Assemblyman Joseph Lentol, D-Brooklyn, sponsored the bill in the chamber and said the legislation is another way New York is moving to provide an extra layer of oversight over the federal government.

“Since there's inaction in Washington to stop any of this power of the pardon being abused, or in any other way stopping the president from doing whatever he wants, it's kind of ironic that the state has to step in and enforce the state's rights to change the law so that we can check the power of the president,” Lentol said.

The measure will now be sent to the desk of Gov. Andrew Cuomo, who has previously signaled his support for the legislation.

The bill would not allow state prosecutors to bring charges against someone who's already been convicted of, or pleaded guilty to, federal crimes by the time it becomes law. That's because “double jeopardy” attaches when the first juror sits at a trial, or when someone enters into a plea agreement. The legislation wouldn't rescind that event.

State Sen. Todd Kaminsky, D-Nassau, has sponsored the bill since it was first introduced last year. He said that, because the legislation is not retroactive, lawmakers should send it to Cuomo promptly for approval.

“I've said this all along, every day we wait to make this a law, we are potentially taking options off the table for our prosecutors to bring valid cases if the evidence warrants it,” Kaminsky said.

“So I think we should move with great dispatch and get this done so that we have accountability in our state.”

As of now, James has not indicated that she has immediate plans to bring criminal charges against Trump or anyone in his inner circle. For the legislation to be relevant to such an investigation, those individuals would first have to face federal charges and be pardoned anyway.

The legislation has been a priority for James since she took office in January, and even before that when she was running to fill the post. She called on the state Legislature to hold a special session last year to pass the bill after former Trump campaign manager Paul Manafort was convicted on federal charges related to the probe of Special Counsel Robert Mueller III.

That was unlikely at the time because the State Senate was controlled by Republicans, who largely opposed the measure. Democrats took control of the chamber this year for the first time in nearly a decade, giving the legislation an easier path to becoming law.

James has been to Albany a handful of times since she took office to discuss the legislation with lawmakers, and is said to have made some personal appeals to Democrats who were cautious about the proposal. Assemblyman Joseph Lentol, a Democrat from Brooklyn who sponsors the bill, has attributed those discussions for bringing the legislation over the finish line.

It’s had mixed results in the chamber, where Democrats were opposed to a previous version of the bill introduced last year. That legislation would have allowed state prosecutors to bring charges against anyone pardoned of federal crimes. Some Democrats were worried the broad language of that proposal could backfire during future administrations.

The new version of the bill, announced in March, was crafted more specifically to address those concerns. It’s now written in a way that would only allow state charges to be brought against a pardoned individual with direct ties to Trump, either through his family, their work on his campaign, or their work in the White House.

But Democrats in the Assembly were initially slow to coalesce around that version of the bill as well. Lentol said previously there was consternation that the new version would appear targeted at Trump and his associates. That’s not necessarily untrue—the bill was inspired by Trump and the Mueller investigation—but Kaminsky and Lentol are quick to point out that the legislation will apply just as much to his successors as to Trump himself.

“The whole focus is going to be targeting Trump,” Lentol said. “This bill has nothing to do with Trump but everything to do with Trump, and everything to do with every other president who would choose to abuse their power of pardon.”

There was also discussion among members of the Assembly about the political consequences of passing the bill, particularly in swing districts. Democrats currently hold a firm majority in the chamber, but some members live in areas where their support for such a measure could cost them votes.

Those concerns were assuaged in recent weeks and put to bed after Democrats agreed in a private meeting last week to move the bill to the floor for a vote. Unlike their discussion in March, little was said about the bill before they agreed to back it.

Republicans were not silent as the bill was considered by the State Assembly on Tuesday. Assemblyman Andrew Goodell, R-Chautauqua, criticized his colleagues across the aisle for approving the legislation, calling it “political” and labeling it as unnecessary.

"Double jeopardy is a concept that was recognized by our Founding Fathers 230 years ago and it was recognized by the Legislature nearly 100 years ago," Goodell said. "And we're asked to set aside that fundamental concept of fairness and equity, not because we're faced with any actual situation, but on a hypothetical situation."

If Cuomo approves the bill, it will take effect immediately. The legislation isn't retroactive, but it also wouldn't apply to anyone who, when it becomes law, is already on trial but has not been convicted or has entered a guilty plea but has not been sentenced.

<https://www.law.com/newyorklawjournal/2019/05/21/ny-legislators-approve-double-jeopardy-legislation-aimed-at-trump-pardon-power/>

[Associated Press- NY moves to ensure Trump pardons can't nix state charges/](#)

By: David Klepper

May 21, 2019

ALBANY, N.Y. (AP) — A presidential pardon won't be enough to clear someone associated with the commander-in-chief of similar state charges under legislation approved by New York state lawmakers Tuesday.

The bill, which now moves to Democratic Gov. Andrew Cuomo, revises the exceptions to the state's double jeopardy law in an effort to ensure the state's ongoing investigations into the Republican president and his associates can't be derailed by a White House pardon.

Attorney General Letitia James had pushed for the law, which she said will eliminate a "gaping loophole" that could have allowed someone pardoned by Trump to argue similar state charges should be dismissed.

"This loophole, which effectively allows the president to pardon state crimes, must be closed," James, a Democrat, told reporters after the bill passed the Assembly Tuesday. She said presidential pardons shouldn't "be used as a get-out-of-jail-free card."

Republicans argued the bill is a partisan attack on Trump and accused Democrats of trying to rewrite the law to prepare for hypothetical pardons that may never be issued.

Assemblyman Andy Goodell, R-Jamestown, called the measure "a sharp poke in the eye" of the president. He said his Democratic colleagues were using the bill "to express a political statement about our current president, about things he hasn't done."

Democrats said the bill isn't designed to target a particular president, but to safeguard the state's ability to enforce its own laws.

"We're trying to root out corruption and abuse of presidential power," said Assemblyman Joe Lentol, D-Brooklyn.

Still, some lawmakers made it clear that they had a specific commander in chief in mind when they voted yes Tuesday.

"We are dealing with a criminal in the White House," Assemblyman Michael Blake, D-the Bronx, said of Trump.

Twenty-four states already have laws making it clear that presidential pardons do not cover state charges, according to Sen. Todd Kaminsky, D-Long Island and the bill's Senate sponsor.

The new exception wouldn't apply to all presidential pardons. Instead, the legislation spells out several categories of people for whom presidential pardons would not be sufficient: members of a president's family, their government and campaign staff, employees of a president's private business or nonprofit, as well as anyone else who prosecutors believe may have conspired with an associate of the president.



Prosecutors in New York are in the midst of several investigations related to Trump and his associates, including Paul Manafort, the president's former campaign chairman, who is now serving time in federal prison for tax and bank fraud.

A message left with the White House was not immediately returned Tuesday evening.

<https://www.usnews.com/news/best-states/new-york/articles/2019-05-21/ny-state-assembly-set-to-close-double-jeopardy-loophole>

NY State of Politics- Bill Curbing President's Pardon Power Heads To Cuomo's Desk  
May 21, 2019

A bill meant to curb the power and reach of the president's pardon in New York was granted final approval by the Democratic-led state Assembly on Tuesday and now goes to Gov. Andrew Cuomo's for his signature.

The bill would allow New York prosecutors to bring cases against those who have worked in a presidential administration or a member of the president's family after receiving a pardon.

Lawmakers at a press conference on Tuesday insisted the bill was not aimed at President Donald Trump, who is being investigated by Attorney General Letitia James's office.

"We try to tread very carefully because we didn't want to target the president, we wanted to target the abuse," said Assemblyman Joe Lentol at a press conference flanked by James and Sen. Todd Kaminsky.

A former federal prosecutor, Kaminsky said the legislation is in line with what other states have on the books.

"We know the president's pardon power is sweeping; there's no debate about that," he said.

"But when we're confronted with a corrupt or capricious use of that, New York does not have to stand idly by."

The bill's passage is a victory for James, who had sought the legislation earlier this year. Her office is reportedly investigating ties between Trump's businesses and major lenders, such as Deutsche Bank.

"This loophole, which effectively allows the president to pardon state crimes, deserved to be closed," she said. "It's really critically important that individuals understand the power of state's rights."

The Assembly is expected on Wednesday to approve a bill that would allow congressional Democrats to gain access to the president's New York tax filings. The bill will include an amendment set to pass in the state Senate that narrows the scope of the tax legislation to elected officials.

Republicans called the focus on Trump at the state Capitol a waste of time that does little to help New Yorkers.

"Bringing politics of Washington into this chamber I think is a complete waste of time," said Brian Kolb, the Assembly minority leader.

"I think there's enough grandstanding to go around here as well as in Washington. This is all political grandstanding and it's using New York state taxpayer money to advance political causes and not do one thing to take people out of poverty."

<https://www.nystateofpolitics.com/2019/05/bill-curbing-presidents-pardon-power-heads-to-cuomos-desk/>

## Politifact- Trump says NY didn't fight SALT cap

By: Jill Terreri Ramos

May 21, 2019

President Donald Trump called out New York on Twitter, asserting the state did not fight a provision in the 2017 tax law backed by Republicans. The provision, a \$10,000 limit on deductions of state and local taxes, has a negative impact for some filers largely in high-tax states like New York, New Jersey and California.

His tweet followed the news that New York Attorney General Letitia James would investigate the National Rifle Association and its tax-exempt status.

"...People are fleeing New York State because of high taxes and yes, even oppression of sorts," Trump wrote. "They didn't even put up a fight against SALT - could have won. So much litigation. The NRA should leave and fight from the outside of this very difficult to deal with (unfair) State!"

### Swift reaction

Trump's claim that New York didn't fight the provision in the Tax Cuts and Jobs Act that caps the deduction for state and local taxes at \$10,000 was immediately challenged. Rep. Nita Lowey, a Democrat who represents Rockland County and part of Westchester County, tweeted: "Is he living under a rock?! We fought tooth and nail against the Republican elimination of the SALT deduction. If he's OK with bringing it back, he should join me in convincing members of his own party to reverse their decision to hurt working families."

During a news conference on the day Trump tweeted, Gov. Andrew Cuomo questioned why Trump supported the policy if he knew it was bad for New York.

"What he said about SALT is unbelievable," Cuomo said. "I've been saying for months it was an assault on New York, pardon the pun," Cuomo said. "And now the President is running from his own policy. ... Why did you start it? It was your policy. It is your budget. You took credit for it."

We asked Trump's press office about how he formed his view of New York's response to the cap but did not receive a response.

### Advocacy history

Cuomo's response to the cap goes back to 2017, when it was proposed. Shortly before it became law, he called the SALT cap provision an "economic dagger directed at this state" and "a gross injustice." In 2018 he launched a campaign against the provision using legal and legislative tools.

Cuomo even met with Trump at the White House in February to discuss changes to the cap after Trump indicated he would be open to them. Cuomo has continued to publicly criticize the cap, and following his meeting with Trump, he announced he had enlisted other governors in the effort.

"As governor of the state of New York today, my top priority is repealing SALT. Period," Cuomo told reporters in March.

Advocacy came from New Yorkers in Congress, too.

In October 2017, when discussion of the Republican tax changes was in the early stages, Sen. Charles Schumer called on New York's House delegation to oppose any proposed repeal of the state and local tax deduction.

While negotiations were ongoing, House Minority Leader Nancy Pelosi, in a news conference with Schumer, spoke of how people were upset with proposed changes to state and local tax deductions, that it "rubs salt in the wounds of the taxpayers."

Schumer's spokesperson, Dan Yoken, also provided a lengthy history of Schumer's public advocacy on the issue, including at least 22 instances in which the senator spoke publicly about preserving the SALT deduction.

In October 2017, Treasury Secretary Steven Mnuchin said on Fox Business: "Senator Schumer has been complaining about this [SALT Deduction] since the beginning of the year."

Democrats did not vote in favor of the law, and some Republicans in New York's House delegation voted against it too, including Reps. Peter King and Lee Zeldin of Long Island, Dan Donovan of Staten Island, John Faso of the Albany and Catskills areas, and Elise Stefanik, who represents the Adirondack and North Country regions. With one exception, House Republicans who voted against the tax reform law were from New York, New Jersey, and California.

New York Republicans voting in favor of it were Reps. Chris Collins, Tom Reed, Claudia Tenney and John Katko. Some of the New York and New Jersey Republicans who favored the law told the New York Times that they blamed state government, not the tax bill, for the problems the SALT cap would create.

The Trump administration also blocked states' efforts to work around the cap, once the law was enacted, something Lowey fought in a letter to the IRS commissioner.

Lowey and King have bipartisan legislation to restore the SALT deduction, introduced in January 2018 and in January 2019.

### **Our ruling**

Trump said that people in New York didn't fight a cap on the deduction of state and local taxes, which was included in the 2017 tax reform law.

New York elected officials have been speaking out against it since the time it was proposed, in the news media, in meetings with Trump, and in Congress. While the majority of New York's representatives in Congress voted against the Tax Cuts and Jobs Act, four Republican New York House members voted for it.

The Democrats who were vocal in speaking against the SALT cap were in the minority party and had little influence in the White House, House of Representatives and Senate, all controlled by Republicans. If anyone didn't "put up a fight" in New York, it could have been the Republicans who could have used their influence as members of the majority party to push to eliminate the cap, but voted in favor of the tax legislation.

We rate Trump's statement False.

<https://www.politifact.com/new-york/statements/2019/may/21/donald-trump/trump-says-ny-didnt-fight-salt-cap/>

[The Hill- Democratic states, counties, sue Trump admin over religious protections rule](#)

By: Nathaniel Weixel

May 21, 2019

A coalition of 23 Democrat-led states, counties and municipalities is suing the Trump administration for a final rule that protects health care providers who refuse to provide care on the basis of their religious beliefs.

The lawsuit, announced Tuesday, is led by New York Attorney General Letitia James (D) and seeks to have the rule declared unconstitutional, as well as a court order to prevent it from going into effect.

It is the second lawsuit against the administration's so-called conscience protection rule. San Francisco announced a similar lawsuit earlier this month.

The new complaint called the final rule "an unprecedented and unlawful expansion" of nearly 30 federal statutes that will prevent the plaintiffs from administering their own health care systems.

"The federal government is giving health care providers free license to openly discriminate and refuse care to patients — a gross misinterpretation of religious freedom that will have devastating consequences on communities throughout the country," James said in a statement. The rule was announced earlier this month by President Trump during the National Day of Prayer, but was officially published Tuesday. It's scheduled to take effect on July 22.

The rule aims to protect health care workers and institutions from having to violate their religious or moral beliefs by participating in abortions, providing contraception, sterilization or other procedures.

Republicans and anti-abortion groups often complained that the Obama administration did not enforce federal laws that protect health workers and institutions from having to violate their religious or moral beliefs by participating in abortions or other procedures.

The lawsuit argues that the final rule will allow any provider to make such refusals, from ambulance drivers to emergency room doctors to receptionists to customer service representatives at insurance companies.

The lawsuit also alleges that the states and counties could lose billions of dollars in federal health care funding if they don't comply.

"States and cities rely upon those funds for countless programs to promote the public health of their residents, including Medicaid, the Children's Health Insurance Program, HIV/AIDS and STD prevention and education, and substance abuse and mental health treatment," James said.

<https://thehill.com/policy/healthcare/444819-democratic-states-counties-sue-trump-admin-over-religious-protections-rule>

The Washington Post- Two dozen states, municipalities, sue over Trump's 'conscience' rule

By: Amy Goldstein

May 21, 2019

A group of mostly Democratic states filed lawsuits against the Trump administration on Tuesday, challenging a new federal rule that gives health-care providers, insurers and employers greater latitude to refuse to provide or pay for medical services that they say violate their religious or moral beliefs.

A lawsuit by a coalition of nearly two dozen states and cities, led by New York Attorney General Letitia James, alleges the rule illegally favors the personal views of health-care workers over the needs of patients "at a dangerous price" of hobbling the ability of state-run health-care facilities to provide effective care.

A separate suit, brought by California Attorney General Xavier Becerra, alleges the rule "impedes access to basic care" and "encourages discrimination against vulnerable patients, including women and LGBTQ individuals."

The suits, plus one brought earlier this month by the city of San Francisco, seek to block the rule, announced by President Trump early this month and published Tuesday in the Federal Register, which allows individuals and entities to refrain from delivering or paying for services such as abortion, sterilization or assisted suicide if they have a religious or moral objection to them. The 440-page rule also grants parents' rights to refuse several specific types of care for their children.

The lawsuits are part of a spate of federal litigation challenging various ways the Trump administration has been rewriting health-care policies. So far, courts have issued temporary injunctions to block some of the policies while the disputes play out in court.

Injunctions by two courts last month halted new anti-abortion restrictions on the use of money for family planning services under the Title X program. A federal judge in the District, meanwhile, has ruled against the administration's approval of steps taken by Kentucky and Arkansas to require some poor residents on Medicaid to work or prepare for jobs to qualify for the benefits.

The "conscience protections," as their advocates call them, are among actions taken by the Health and Human Services Department that appeal to Christian conservatives, a constituency that is part of Trump's political base. The rule is due to take effect in late July.

The multi-state lawsuit, filed in the U.S. District Court for the Southern District of New York, alleges that the rule puts at risk billions of dollars in federal funds if the states participating in the case do not comply with the rule.

The 80-page complaint says the rule also will harm teaching hospitals and other health-care facilities run by some of the states and cities, undermining their effectiveness and forcing them to hire extra staff in case some workers refuse care that patients need. The rules also risks "undermining longstanding efforts by those institutions to build trust with the patient communities they serve."

The suit further alleges that the rule violates several federal laws, including those governing Medicare and Medicaid, civil rights statutes and a statute requiring hospitals to provide emergency care.

In addition to New York, the plaintiffs are Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, plus the cities of Chicago and New York; Cook County, Ill; and the District.

[https://www.washingtonpost.com/national/health-science/two-dozen-states-municipalities-sue-over-trumps-conscience-rule/2019/05/21/564d61c6-7c09-11e9-a5b3-34f3edf1351e\\_story.html?utm\\_term=.753dacbdafc0](https://www.washingtonpost.com/national/health-science/two-dozen-states-municipalities-sue-over-trumps-conscience-rule/2019/05/21/564d61c6-7c09-11e9-a5b3-34f3edf1351e_story.html?utm_term=.753dacbdafc0)

Bitcoin Magazine- Tether Partly Backed by Bitcoin, Court Transcription Reveals

By: Colin Harper

May 21, 2019

Tether, a stablecoin tied to the dollar that is meant to mediate the volatility of other cryptocurrencies, is partly backed by bitcoin.

As detailed in court documents obtained by The Block, Tether admitted to using some of the cash reserves meant to back its stablecoin to purchase bitcoin, among other assets.

This revelation is the latest in legal proceedings between the New York Attorney General (NYAG) and Bitfinex, a leading cryptocurrency exchange which shares management with Tether.

Bitfinex and the NYAG have gone back and forth in a battle of legal letters after the NYAG petitioned the New York Supreme Court to stop the exchange from drawing on a \$900 million line of credit it established with Tether to cover \$850 million in losses it incurred when its fiduciary relationship with payment processor Crypto Capital went south.

The war of words has offered a rare glimpse into Tether/Bitfinex's shared business practices, including the revelation that Tether's reserves are only 74 percent backed following the \$850 million loss. Additionally, Bitfinex used Crypto Capital to commingle business and customer funds. Now, Bitfinex's legal counsel is saying that some of these funds were used to buy bitcoin. "Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin," David Miller, Bitfinex's attorney, testified, adding that it is a "small amount."

Presiding Judge Joel M. Cohen responded by saying that, while it "may be a little beyond the issue," that "Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate," then that supports the NYAG's argument.

The rest of the document outlines an argument for why the NYAG's injunction has grounds under the Martin Act, an anti-fraud law that gives the NYAG legal leeway to bring action against allegedly fraudulent securities issuers. The NYAG argues that, under the Martin Act, it has jurisdiction to pursue Bitfinex/Tether because neither offered sufficient disclosure to stakeholders (namely, Bitfinex users and tether holders).

But the judge opened up his remarks questioning this legal basis, stating that "it [isn't] 100 percent clear what the violation [is]."

"The petitioner [NYAG] ... very clearly and correctly said that the Attorney General's Office is not a regulator, so there is no general mandate in the Martin Act to maintain the financial stability of any given company unless there is a statutory violation to pursue," Judge Cohen said. "So the petitioner ... has to show why in this particular case instability or failure to have enough coverage in terms of dollars constituted by itself a violation."

Miller criticized the NYAG as having a "lack of jurisdiction" in the matter, arguing that the attorney general is only going after Bitfinex/Tether because it dislikes bitcoin as an asset. He also argues that Tether made proper disclosures regarding its fractional reserves in a February website update.

The May 16 hearing followed a temporary injunction granted by judge Cohen that would freeze Bitfinex's line of credit for 90 days, a timeframe Bitfinex/Tether sought to reduce to 45 days. In the background of the courtroom battle, Bitfinex launched a token sale to the tune of \$1 billion to aid fund recovery efforts. The token, LEO, sold out and is currently trading; the \$1 billion raised will go to cover some of the \$850 million lost to Crypto Capital, with Bitfinex planning to buy back and burn outstanding supply until all tokens are out of circulation.

<https://bitcoinmagazine.com/articles/tether-partly-backed-bitcoin-court-transcription-reveals/>  
The Block- Tether admits in court to investing some of its reserves in bitcoin

By: Larry Cermak

May 21, 2019

Count this as the latest revelation to emerge in Bitfinex's battle with the New York Attorney General's office.



Tether, a stablecoin that has overlapping management and ownership with Bitfinex, admitted the company has historically used some of its reserves to make investments in bitcoin and “other assets,” according to court documents obtained by The Block. It’s the latest insight from recent court proceedings into the operations of Bitfinex and Tether — two entities that have played a major role in crypto markets whilst operating mostly opaquely.

In April, the NYAG issued a court order against Bitfinex and Tether in which they alleged the firm commingled client funds and borrowed money from its sister company Tether to cover-up the seized funds. Jean Louis van der Velde, CEO of Bitfinex, responded by saying that the lawsuit is “filled with inaccuracies and false assertions.”

Throughout these court proceedings, new details about how Bitfinex ran its business have been revealed. For instance, the market has learned that only 74% of outstanding Tether tokens were backed by cash held in its reserve.

On Feb. 25, Tether quietly changed the wording on its homepage, admitting for the first time that its reserves included “traditional currency and cash equivalents”, as well as “other assets and receivables from loans made by Tether to third parties.” Prior to the change, Tether always claimed that Tether was 100% backed by “traditional currency.” The statement used to read: “Every tether is always backed 1-to-1, by traditional currency held in our reserves.”

In a court transcript from the hearing on May 16 obtained exclusively by The Block, David Miller, an attorney for Bitfinex said: “Prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin.” In the hearing, Miller argued that the Attorney General’s Office wants to have restricted language that limits Tether’s investments to cash or cash equivalents because “they don’t like some of [Tether’s] investments.” Miller claims the Attorney General’s Office is acting beyond its jurisdiction in trying to exert regulatory authority.

New York Supreme Court Judge Joel M. Cohen questioned the logic, noting the paradox of a stablecoin being invested in a volatile asset like bitcoin. He said: “Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it’s playing into what they are saying.”

Miller clarified that it was “a small amount” and argued that the disclosures, “especially the disclosure of February 25th, demonstrate that Tether is not just taking it in cash or cash equivalents. It does make other investments, including purchasing other assets.”

Following the court hearing on May 16, the judge allowed Tether to invest its reserves as part of its operations but issued a preliminary injunction ordering Tether and Bitfinex to:

Restrain access to credit lines on USD reserves held by Tether

Principals, executives, and agents of Bitfinex shall not receive distribution or dividends from funds received from Tether

Not tamper with the documents that NYAG originally requested

The preliminary injunction expires in 90 days, before which time the NYAG can file an extension up to 14 days to petition a longer time-frame on its provisions.

Bitfinex claims since the injunction it has successfully raised nearly \$1 billion in a private token sale for its exchange token LEO. The issuance was planned to cover the \$850 million currently frozen in several accounts controlled by the payment processing company Crypto Capital, which

is at the heart of the lawsuit. LEO tokens started trading on Bitfinex on Monday and currently trade at \$1.043 with a 24-hour volume of \$3.6 million.

We've reached out to Bitfinex for comment and will update this story if we get a response.

*Frank Chaparro contributed to this report.*

<https://www.theblockcrypto.com/2019/05/21/tether-admits-in-court-to-investing-some-of-its-reserves-in-bitcoin/>

## Coin Telegraph- Tether Says It Invested Some of Its Reserves into Bitcoin and Other Assets

By: Ana Alexandre

May 21, 2019

Stablecoin issuer Tether said that it had invested some of its reserves in bitcoin (BTC), according to a court filing obtained by tech-focused media outlet the Block on May 21.

Per the document dated May 16, David Miller, an attorney for Tether's associated firm Bitfinex, said that Tether invested "a small amount" of Tether's reserves into bitcoin, specifying that "prior to the April 24th order ... Tether actually did invest in instruments beyond cash and cash equivalents, including bitcoin, they bought bitcoin." Miller further said that Tether made "other investments, including purchasing other assets."

In response to Miller's statement, New York Supreme Court Judge Joel M. Cohen doubted the logic of investing a stablecoin in a volatile asset like bitcoin:

"Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."

As previously reported, the New York Attorney General's (NYAG) office alleged that crypto exchange Bitfinex lost \$850 million and subsequently used funds from Tether to secretly cover the shortfall. Lawyers from Tether confirmed preexisting rumors that its tokens did not have full reserve backing, and was in fact only 74% backed by fiat dollars and other reserves.

NYAG Letitia James further requested the disclosure of documents concerning an alleged deal made between the two companies.

Following the request, the New York Supreme Court judge Joel M. Cohen decided the parties should try to resolve their dispute and submit a refined argument, claiming that the NYAG cannot bring the full force of its court order against Bitfinex and Tether. Both companies denied any wrongdoing, heavily criticizing New York authorities for the manner in which they raised their complaint.

<https://cointelegraph.com/news/tether-says-it-invested-some-of-its-reserves-into-bitcoin-and-other-assets>

## Coin Telegraph- Bitfinex and Tether Move for Case Dismissal Over Lack of Jurisdiction

By: Max Boddy

May 21, 2019

Bitfinex and Tether lawyers are moving to dismiss their ongoing case versus the New York Attorney General (NYAG), according to court filings on May 21.

Law firms representing the two companies argue that the New York Supreme Court (NYSC) does not have jurisdiction over the alleged misconduct being considered.

The lawyers argue that the NYSC has neither personal nor subject matter jurisdiction and that the NYSC cannot be appealed to, because Bitfinex and Tether are neither operated out of New York nor harmed investors in that state. As per the motion:

“The Office of the New York Attorney General (“OAG”) initiated this special proceeding ostensibly ‘to protect New York investors.’ [...] But OAG chose to target two virtual currency businesses that have nothing to do with New York investors — the businesses do not allow New Yorkers on their platforms and do not advertise or otherwise do business here.”

The counsel further argues that the Martin Act — a law governing securities and commodities which the NYAG is using — does not apply to Tether’s stablecoin.

The case against Bitfinex and Tether was initiated via a court filing in April by NYAG Letitia James, who accused the two organizations of defrauding New York investors via a massive \$850 million loss cover-up. Regarding the impetus to file, James said:

“New York state has led the way in requiring virtual currency businesses to operate according to the law. And we will continue to stand-up for investors and seek justice on their behalf when misled or cheated by any of these companies.”

As reported earlier today on Cointelegraph, a new development in the case has been revealed as the attorney for Bitfinex mentioned that Tether was invested in bitcoin (BTC) and other assets. New York Supreme Court Judge Joel M. Cohen responded with questions, saying:

“Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it’s playing into what they are saying.”

<https://cointelegraph.com/news/bitfinex-and-tether-move-for-case-dismissal-over-lack-of-jurisdiction>

Ethereum World News- Bitfinex and Tether (USDT) Attempt Dismissal of NYAG Case

By: Michael Lavere

May 22, 2019

Cryptocurrency exchange Bitfinex and Tether have moved for a case dismissal of the suit pending against them by the New York Attorney General’s office.

According to [court filings](#) on May 21, the lawyers of Bitfinex and Tether—parent company to the eighth largest cryptocurrency by market capitalization and industry leading stablecoin USDT—are moving to dismiss their ongoing case with the NYAG. The court filings argue that the New York Supreme Court lacks jurisdiction over the pending case and alleged misconduct under consideration by the Attorney General’s office.

In particular, the motion highlights the fact that neither Tether or Bitfinex operate out of New York or specifically targeted and harmed clients in the state. The collective law group claims that the New York Supreme Court should hold no subject matter jurisdiction in the allegations being made, and cannot be appealed to do to the conflicting area of operations.

The court filing effectively calls out the office of the New York Attorney General's office for initiating the special proceeding in the case as a way to "protect New York investors." However, given the seeming lack of jurisdiction involved, the law group finds that the NYAG's office targeted Bitfinex and Tether for wrongdoing, despite having no direct impact on the livelihood of New York investors—especially considering the cryptocurrency exchange Bitfinex does not allow New Yorkers to register and has not advertisement targeted to residents of the state. The filing also finds fault with the NYAG using the Martin Act, which governs securities and commodities and imparts investigative powers during situations of suspected fraud, as inappropriate given the current circumstances.

Since 2017, Tether has been the regular recipient of questioning by analysts and members of the community of cryptocurrency over their exact holdings and dollar backing of USDT. Historically, the stablecoin company claimed to back each USDT coin issued 1:1 with U.S. Dollars, which would amount to over \$2.9 billion held in reserve for the current circulating supply. However, cryptocurrency investors have been skeptical over that claim, which was ultimately revealed to be only partially true. In early March, investigative crypto community members uncovered that Tether had quietly removed its claim to back each USDT with U.S. Dollars.

The plot thickened when it was revealed that cryptocurrency exchanged Bitfinex—who shares leadership positions with Tether—had borrowed over \$800 million in Tether funds to cover [losses](#) incurred by the platform. The NYAG's office responded by accusing Tether and Bitfinex of defrauding investors in Bitcoin, as the exchange was directly using assets that had been pledged in support of the valuation of USDT.

Earlier today Bitfinex revealed that Tether was invested in Bitcoin and other assets as a portion of its reserves backing the 1 USD pegged value of their stablecoin, which prompted New York Supreme Court Judge Joel M. Cohen to respond,

"Tether sounded to me like sort of the calm in the storm of cryptocurrency trading. And so if Tether is backed by bitcoin, how is that consistent? If some of your assets are in a volatile currency that Tether is supposed to somehow modulate, that seems like it's playing into what they are saying."

While Bitcoin prices hover around the \$8000 mark, it remains to be seen how the blowback from USDT and Bitfinex will affect the market moving forward.

<https://ethereumworldnews.com/bitfinex-and-tether-usdt-attempt-dismissal-of-nyag-case/>  
Daily Gazette- Tedisco: AG looking at St. Clare's pension crisis

By: John Gropley

May 21, 2019

**SCHENECTADY** — The state Attorney General's Office apparently is taking a closer look at how the St. Clare's Hospital pension fund wound up in crisis.

The agency has filed a series of legal objections to the attempted dissolution of the St. Clare's Corporation, the former steward of the pension fund and the last corporate remnant of the Schenectady hospital that ceased operation in 2008.

State Sen. James Tedisco, R-Glenville, whose district includes the former hospital and whose constituents include many of its former employees, said Tuesday the moves seem to indicate a new stance. Previously, he said, the three statewide elected officials — governor, comptroller and attorney general — had declined to get involved in the matter.

Now, he said, Attorney General Letitia James' staff has told him that they'll dispatch forensic accountants to delve into the matter, if approved by the court hearing the corporation's request for dissolution.

"It validates the fact that it was important to get an investigation and we're buoyed by the fact that they are delving deeper, a lot deeper," Tedisco said. "Some of the things that happened can be described, generously, as misconduct."

The Attorney General's Office typically does not discuss investigations. It did not return a request for comment for this story.

More than 1,100 former employees of St. Clare's saw their pensions reduced or eliminated in recent months due to a pension fund shortfall now estimated at \$53.5 million. The financially troubled hospital many years ago opted out of a federal pension insurance fund as a cost-saving measure, using an exemption available to church-affiliated hospitals.

So the pensioners have no safety net, but some have been fighting for other recourse. So far they have been unsuccessful, but they also haven't given up. Tedisco and Assemblyman Angelo Santabarbara, D-Rotterdam, have introduced legislation to block dissolution of the corporation while efforts are still being made to restore the pension payments.

Tedisco said Tuesday he's gained support from majority Democrats that will be critical to advancing the proposal in the Senate.

"The bill we have, myself and Assemblyman Santabarbara, is important as a backstop," he said.

"I think we have to have a backstop to make sure that the investigation by the attorney general is not cut short. I think getting to the bottom of this — how it originated, the back drop of how it started, in between the mistakes that were made, whose responsibility it was — we can craft a plan to make pensioners somewhat whole."

Court papers submitted by the Attorney General's Office outline the objections:

- The petition for dissolution submitted in state Supreme Court, Schenectady County, is insufficient;
- The corporation provided no accounting for the \$28.5 million pension fund bailout provided by the state at the time of closure;
- The corporation never filed annual reports with the Attorney General's Charities Bureau as required by law;
- The corporation didn't provide audited annual reports to the court or Attorney General's Office;
- The corporation has failed/refused to provide requested financial documentation about itself or the pension plan;
- The \$28.5 million pension bailout a decade ago creates a substantial public interest now, in light of the pension crisis.

Also, the attorney general's court filing asserts that each of the affected pensioners is a creditor and should be allowed six months to file claims before dissolution is considered.

But the underlying problem remains: The corporation has zero assets and there is no way for it to gain any assets, as St. Clare's was long ago absorbed into what is now Ellis Medicine, which

has no financial connection to the pension fund. One of the reasons for blocking dissolution of the corporation is the belief that it could more easily distribute money to pensioners than an unfamiliar organization, should a source of a bailout be secured.

Bob Bradley and Mary Hartshorne, who are leading a campaign to regain the pension payments, said they were heartened by Tedisco's update.

"To know we have that level of support is amazing," Hartshorne said.

"The St. Clare's Corporation should not be allowed to simply walk away from this disaster," Bradley said via email. "I applaud Senator Tedisco's continued efforts on behalf of these pensioners."

On another front, Hartshorne said she's seeing great responsiveness from Bishop Edward Scharfenberger, head of the Roman Catholic Diocese of Albany, which many pensioners feel should help solve the pension crisis, given the diocese's long, close association with the hospital and its administration. The diocese maintains it did not cause the crisis and isn't responsible for fixing it or funding a solution.

But Scharfenberger lately has been very supportive of the effort to find a solution, Hartshorne said. He met privately with her and Bradley earlier this month and will meet with them again next week, she said.

"Honestly, I think he wants to make it work," she said.

<https://dailygazette.com/article/2019/05/21/state-attorney-general-looking-at-st-clare-s-pension-crisis>

New York Times- They Hoped the Catholic Church Would Reveal Their Abusers.  
They Are Still Waiting

By: Rick Rojas

May 21, 2019

ROCKVILLE CENTRE, N.Y. — She has watched as diocese after diocese has identified Catholic priests accused of sexually abusing children. She saw the victims who, after confronting decades of church silence, could edge toward a sense of closure as bishops apologized and publicly named clergy members who abused them.

Yet for Janet Cleary Klinger, the silence has continued.

She said she had been abused as a teenager by a priest from her family's parish in the Catholic Diocese of Rockville Centre, which sprawls over the suburbs of Long Island.

But the Rockville Centre diocese — one of the largest in the country with an estimated 1.5 million Catholics — has resisted publishing the names of priests credibly accused of abuse. It is the only diocese in New York that has not released a list. Miami, San Francisco and St. Louis are among the others nationwide.

Church leaders in many dioceses have hailed the release of lists of accused priests as a move toward transparency that will help quell tensions with followers.

But the dioceses that have declined to name priests are calling into question the church's broader efforts to make amends for the abuse scandals, stirring a growing backlash from victims and their supporters.

They argue that the lack of disclosure creates another impediment toward understanding the church's handling of the sex abuse epidemic across the nation and makes it more difficult to hold its leaders accountable.



"I, along with a lot of other people, have waited a long time to feel validated, and we continually cannot get that from the Diocese of Rockville Centre," Ms. Cleary Klinger said. "We get nothing from the Diocese of Rockville Centre."

Officials in dioceses that have not released names contend that declining to make such a disclosure does little to stand in the way of their pursuing a robust effort to help victims and prevent abuse.

"The Diocese of Rockville Centre, as a longstanding practice, works closely with law enforcement to make certain that all accusations of child sexual abuse against clergy — credible or not — of which the diocese is aware are reported," Sean P. Dolan, a spokesman for the diocese, said in a statement.

He added: "The relevant civil authorities have the names of all clergy known to the diocese who have been accused of sexual abuse of minors."

Opponents of the church's handling of the abuse scandal said some bishops' reluctance to release more details underscored what they considered a major flaw in the flood of disclosures: It is a hodgepodge response, where each bishop operates at his own discretion in choosing what, if any, information to share.

The church's leadership in the United States has not adopted any kind of formal standard for disclosure. Some bishops have provided work histories and even photographs of accused priests. Others listed only names, the year of their ordination and their status with the diocese. And some have declined to take part at all.

"There's no incentive to act in good faith," said David Clohessy, a victims' advocate. "There's no incentive to put out anything other than a small amount of information."

Bishops across the United States started publishing the lists at a rapid clip after the damning grand jury report in Pennsylvania last August that unfurled decades of allegations, including efforts by church officials to discourage victims from reporting abuse and pressure the authorities not to investigate.

The report prompted the New York attorney general's office and law enforcement officials elsewhere to initiate inquiries. It also undermined the confidence of many Catholics in the church's leaders.

In January, bishops in Texas named nearly 300 priests credibly accused of abuse. In February, bishops in New Jersey published the names of nearly 200. Around the same time, the archbishop of Hartford named 48 priests and offered a series of reparations Masses in which he prostrated himself before the altar as he pleaded for forgiveness.

Advocates said the disclosures reached a pivotal moment in April when the Archdiocese of New York, a center of gravity in the American church and a holdout for months, published a list of nearly 120 accused clergy members.

As the disclosures continued, some dioceses changed their stance. In Charlotte, N.C., a spokesman for the Most Rev. Peter Joseph Jugis told The Charlotte Observer in January that the diocese did not "want to pile on and do more" to inflict further pain on victims, suggesting that publishing the names would do that.

Yet last week, Bishop Jugis relented. "I have come to believe that a full airing of abuse from the past is crucial in the healing process for victims and for the entire church," he said in a statement announcing that the diocese would release its list by the year's end.

Many abuse survivors have welcomed the lists as long-sought recognition from the church. The disclosures have also put a spotlight on the clergy members from the lists who are still alive, including some who continued working with children.

One former Jesuit resigned from a teaching job at a prestigious prep school outside New York City after his name was included on one of the order's lists.

Still, advocates have criticized the disclosures as pocked with holes, with few details shading in the nature of the abuse allegations or how church officials responded to them when they were made. There is also the issue of priests from Catholic religious orders, which have also been inconsistent in revealing alleged abusers in their membership.

David Gibson, the director of the Center on Religion and Culture at Fordham University, said the process to identify the priests, both dead and alive, was a fraught one. Most were never convicted, much less charged with a crime. The threshold for being included on the lists was being the subject of abuse claims that were deemed credible after an investigation by the church. "There are still real moral, ethical and legal considerations," he said.

"The good news is they're doing it, finally," Mr. Gibson added.

The disclosures, which have centered on decades-old allegations and largely named dead priests, have nonetheless unleashed a fresh wave of attention that has amplified the sense of scandal surrounding the church. In other dioceses, bishops have struck a conciliatory tone, describing the releases as a gesture meant to help victims heal and mollify an unsettled flock. But in Rockville Centre, a diocese covering Nassau and Suffolk Counties, the bishop, the Most Rev. John O. Barres, has concerns about making a disclosure. "The diocese believes that while the investigations of claims and allegations are ongoing, it is premature to release a list of accused clergy," Mr. Dolan, his spokesman, said. (Last year, officials overseeing the diocese's Independent Reconciliation and Compensation Program said it had offered settlements in more than 200 abuse claims.)

Ms. Cleary Klinger, who is the local leader of the Survivors Network of those Abused by Priests, known as SNAP, had little optimism that the diocese would alter its course. "If we get a list, we'll be lucky," she said.

Even so, she and other abuse survivors press on.

Donald H. Nohs, who said he was abused by a priest from a religious order when he was around 13 years old, still has strong ties to the Catholic Church. He is an expert on the Shroud of Turin, a piece of linen cloth that some believe depicts an image of Jesus Christ, and the president of the Society of the Holy Face of Jesus. His brother is a priest in the Rockville Centre diocese. He said prayer had led him to forgive his abuser, even asking Jesus, "Don't let what he did to me stop his soul from going to heaven."

Yet he said he maintained his zeal in pushing for change in the church.

"You've got to recognize the root cause and weed it out," Mr. Nohs said.

"You're not going to stop it if there's not full disclosure," he added. "I'm not angry. I'm very much at peace, by the way."

Teresa Cash-Ferrara said she can trace many turns in her life back to the relationship that started with a priest when she was about 12 years old and continued for several years: her career choices, her drift away from Christianity and her return to Catholicism.

She was torn over the disclosure of priests' names, fearing it could stir turmoil in parishes and create new pain. In some ways, she said, she felt fortunate compared with other victims who

had more challenging plights: She is married and home-schools her young son. She has also worked hard to quiet her own anger.

"It destroys," Ms. Cash-Ferrara, a horseback riding instructor, said. "It continues to destroy your life and those around you."

But she also acknowledged that going public with suspected abusers could help bring about healing for victims and the church. "It's not just this black hole in your past," she said. "You can bring some good out of it."

<https://www.nytimes.com/2019/05/21/nyregion/catholic-church-sexual-abuse.html>

AM New York- Taxi drivers should be exempt from NYC congestion pricing, council members say

By: Vincent Barone

May 21, 2019

Yellow cabbies should be exempted from congestion pricing tolls coming to Manhattan as well as a surcharge that is already in place, according to two City Council members.

Councilmen Ydanis Rodriguez and Fernando Cabrera on Tuesday called on Gov. Andrew Cuomo and the MTA to establish the carveout before the new tolls take effect, which is expected in 2021. Their request came in response to an extensive investigation from The New York Times detailing how thousands of immigrant workers fell victim to predatory loans that saddled them with crippling debt, as lenders fattened their pockets and the government ignored warning signs.

"Our taxi drivers are currently facing a financial epidemic unlike we've ever seen. This crisis ... did not happen overnight," said Rodriguez, the chair of the Transportation Committee. "This is the result of an accumulation of lack of leadership and bad decisions for many decades."

Yellow taxis and other for-hire vehicles are already subjected to a congestion pricing surcharge, which took effect in February. Yellow cabs operating in Manhattan below 96th Street saw an added \$2.50 fee on top of the \$5.50 base fare just to get in the vehicle. Ubers, Lyfts and other car services driving in the area are hit with a \$2.75 surcharge.

The surcharge has angered the professional driving industry and arrived amid a series of driver suicides, which advocates have blamed on economic hardships plaguing the industry.

But the request to be exempt from the surcharge and a future toll flies in the face of transportation experts and environmental advocates who have argued exceptions would lessen the impact of the policy — both from the standpoint of traffic reduction and transit funding.

Rodriguez and Cabrera, the later of whom opposes congestion pricing outright, are the latest politicians to speak out following the Times' investigation, though the issues had been reported before and overlooked by city, state and federal elected officials. New York Attorney General Letitia James announced an investigation into lending practices around taxi medallions and Mayor Bill de Blasio followed with a separate investigation into the brokers involved in arranging the loans.

"The review will set down strict new rules that prevent broker practices that hurt drivers," de Blasio said in a statement. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

It's not clear yet what impact the congestion surcharges will have on the yellow cab industry, though the former commissioner of the city's Taxi & Limousine Commission predicted they would be "[devastating](#)." Yellow taxi trips have actually increased slightly as the new fees took effect, from 247,315 average daily trips in January of this year to 252,634 in March. But monthly averages tend to have sizable fluctuations and trips are still down when you compare that three-month span to the same point last year — part of a long downward slide in trips that came as e-hails like Uber and Lyft flooded the city with cars.

The MTA and the governor's office did not respond to requests for comment.

"Without an exemption from the congestion surcharge, taxi drivers — whether they are lease-drivers or owner-drivers — simply won't earn enough to survive, even if their expenses go down," said Bhairavi Desai, the executive director of the New York Taxi Workers Alliance.

<https://www.amny.com/transit/congestion-pricing-taxi-drivers-1.31396392>

## The Guardian- The thorn in Trump's side: New York attorney general leads barrage of investigations

*Letitia James has grabbed the attention of the president by launching investigations into his business dealings*

By: Erin Durkin

May 21, 2019

While running to be New York's attorney general, Letitia James did not mince words about Donald Trump. She [called him](#) an "illegitimate president" who should be removed from office, and vowed to use every legal avenue to investigate Trump and his business dealings.

Since taking office at the beginning of the year, she has toned down the rhetoric but she has let subpoenas do the talking instead — pursuing a barrage of investigations and emerging as a major thorn in the side of Trump and his political allies and notching up successes where even Congress has been blocked.

Trump himself has taken notice. After the attorney general [launched an investigation](#) into the National Rifle Association, Trump said in a tweet that the gun group is "under siege" by James

and New York governor Andrew Cuomo, and accused them of “illegally using the state’s legal apparatus to take down and destroy this very important organization, & others”.

Earlier, he complained that James “openly campaigned on a GET TRUMP agenda” and called her investigations “part of the Witch Hunt Hoax”.

The attorney general has issued subpoenas as part of an investigation into the non-profit status of the NRA, where an internal power struggle has exposed allegations of financial mismanagement.

That came after her office launched an investigation into Trump’s own finances, sending subpoenas to Deutsche Bank, which has made loans to the president’s businesses. The investigation was prompted by former Trump lawyer Michael Cohen’s testimony that Trump falsely inflated his assets while seeking loans.

“We follow the facts and the evidence wherever it leads, and no one is above the law,” James said last week at her lower Manhattan office. “Including powerful organizations such as the NRA. Including the most powerful individual in this country, the president of these United States. It’s really about the rule of law.”

Unlike similar subpoenas from Congress, which Trump and his children sued the bank to block, there has been no effort so far to quash the attorney general’s subpoenas, and the bank has begun turning over documents, James said. She hopes to review Trump’s tax returns as well.

James is also pursuing legislation to change the state’s double jeopardy laws, so that any Trump associates pardoned by the president for federal crimes could be charged on the state level.

Her lawyers argued before the supreme court in a lawsuit seeking to stop the administration from adding a question on citizenship to the US census, and investigators are investigating complaints of labor violations at the Trump National Golf Club Westchester in the New York suburbs.

Democratic attorneys general across the nation have fought Trump with scores of lawsuits, but the powers of James’s office and her perch in the president’s home state positions her as a unique threat.

“Trump has decades of complex and shady business deals that make for a target-rich environment,” said Eric Soufer, who was a senior counsel in the attorney general’s office before James took over.

The state’s financial fraud laws give the attorney general “incredible power” to demand documents and records, said Paul Nolette, a political science professor at Marquette University.

“New York is in a unique position to lead a lot of these investigations,” he said. “Number one, they have the resources to take Trump on, and number two, they have the location where Trump is potentially most legally vulnerable.”

New York has joined 51 multi-state lawsuits against the Trump administration, including 26 where it has led the group – the most of any state, according to Nolette’s count.

When James took office in January, she became the first black woman to serve as attorney general – and the first to hold any statewide office in New York.

A Brooklyn native, she was New York City’s public advocate, a job that has virtually no formal power, but has often been a springboard to higher office. Mayor Bill de Blasio was also public advocate before he won his current job.

James had been eyeing the mayor’s office too, until the resignation of Eric Schneiderman, accused of violent behavior against multiple women, created a sudden vacancy for attorney general.

She jumped into the race as the early front runner, although some of her one-time allies on the left, put off by her embrace of Cuomo, flocked to law professor Zephyr Teachout instead. In the end, James prevailed in a four-way primary, and easily defeated her Republican opponent.

As some progressives look to James as their next best hope to hold Trump accountable after the conclusion of the Mueller investigation, conservative critics say her approach is excessively partisan for a law enforcement office and she should focus on troubles closer to home.

“She is trying to make a name for herself as a partisan,” said Joe Borelli, a Republican city councilman and one of the few prominent Trump supporters in New York politics. “If she cared about public corruption, she would be investigating the governor of her own state, whose top aides and allies are now in prison and who disbanded his own investigative commission when it began to look at him.”

Trump lawyers have taken the feud beyond Twitter, arguing in court papers that a suit against Trump’s charitable foundation should be rejected because it is “the product of the attorney general’s animus and bias against President Donald J Trump and it was filed for improper, biased and political reasons”.

The foundation agreed to dissolve as part of a settlement with the AG’s office, which alleged its funds were misused for political and personal purposes, but James has continued to pursue it for damages and seek an order banning Trump and his children from running New York charities.

Some staffers in the AG’s office were “taken aback” by James’s comments during the campaign, Soufer said, but he added she has conducted the investigations responsibly since taking office.



"All of the investigations and work around the Trump administration have been taken on in a very credible way. I don't think anyone can credibly accuse the office of overreaching in any of those areas," he said.

<https://www.theguardian.com/us-news/2019/may/07/the-thorn-in-trumps-side-new-york-attorney-general-leads-barrage-of-investigations>

#### Law 360- Weinstein Co. Demands Say In Sex Abuse Settlement Talks

By: Jeff Montgomery

May 21, 2019

Law360, Wilmington (May 21, 2019, 5:39 PM EDT) -- Harvey Weinstein's bankrupt former corporate flagship warned that it has to be part of any potential insurance settlement with his sexual abuse accusers late Monday, in response to those opposing its hiring of attorneys for talks on director and officer policy payouts.

In the reply, filed in U.S. Bankruptcy Judge Mary F. Walrath's court, Weinstein Holdings — which severed ties with Harvey Weinstein earlier in the case — said it was a necessary party to any settlement, and cautioned that its omission and attempts to bar its retention of counsel are "the surest way to eliminate any prospect of a resolution."

On May 15, attorneys for the unsecured creditors, the New York state attorney general and dozens of women who sued the debtors over Weinstein's alleged abuse said the debtors' proposal to retain Bernstein Litowitz Berger & Grossmann LLP would delay a looming settlement. Also, the objectors said, the debtors' new counsel could seek as much as 30% of the deal proceeds, diverting compensation from victims.

"To be clear, there can be and will be no settlement of the D&O Claims, 'global' or otherwise, without the debtors being represented by counsel in connection with those claims," Weinstein Holdings said in reply. The objection added that the debtors remain the estate's fiduciary and "must be informed about the claims, their potential value, and the risks and potential rewards of pursuing or settling them."

Weinstein Holdings acknowledged that it had granted the unsecured creditor committee standing to "investigate, prosecute and settle certain claims and causes of action" in November. But that standing was revoked in a court filing on April 23, following the debtors' conclusion that committee efforts to reach a settlement had failed.

"Accordingly, at this time, neither the committee nor the tort claimants has any authority to negotiate a resolution of D&O claims," the debtors' response said, adding that they give "no credence" to what they described as the latest in a long string of imminent deal reports.

In a related development Monday, the unsecured creditors' committee filed an emergency motion to adjourn a hearing on the debtors' motion to hire Bernstein Litowitz, currently slated for Thursday.

The motion said that Weinstein Holdings' arguments that it should pursue settlements because the tort claimants' effort had stalled were "premature," and it pointed to reports that a settlement proposal is nearing completion amid "highly adversarial" mediation led by Jed Melnick.

The committee requested a 12-day delay to continue mediation, saying it would be "a negligible amount of time in light of the tremendous amount of time and resources that have been spent to bring the parties to the mediation to the brink of settlement."

The Weinstein Co. filed for Chapter 11 in March 2018 with plans for a sale after sexual assault allegations came to light against Harvey Weinstein, who is no longer employed by the company or serving on its board.

In July 2018, the court approved the sale of nearly \$290 million of film assets and other Weinstein Co. holdings to Lantern Entertainment, which is affiliated with Spyglass Media Group LLC.

Disputes over the status of film contracts between the company and actors, producers and directors have continued to roil the bankruptcy, which is awaiting a ruling on a request to convert the case to Chapter 7 liquidation.

Harvey Weinstein still faces a cloud of suits, including civil cases before three judges featuring claims by women that he forced or coerced them into sex acts starting in the 1990s. He also faces trial on criminal assault claims in September.

Comment was not immediately available from the creditor committee or New York attorney general's office.

The debtors are represented by Mark D. Collins, Paul N. Heath, Zachary I. Shapiro, Brett M. Haywood, Joseph C. Barsalona II and David T. Queroli of Richards Layton & Finger PA, and Paul H. Zumbro, George E. Zobitz and Karin A. DeMasi of Cravath Swaine & Moore LLP.

The unsecured creditors committee is represented by James I. Stang, Robert J. Feinstein, Debra I. Grassgreen and Colin R. Robinson of Pachulski Stang Ziehl & Jones LLP.

The New York attorney general's office is represented in-house by Sandra Pullman.

The other objectors are represented by Jeffrey R. Waxman of Morris James LLP, Elizabeth A. Fegan, Steve W. Berman and Shelby Smith of Hagens Berman Sobol Shapiro LLP, Edward S. Weisfelner, Sigmund Wissner-Gross and Howard S. Steel of Brown Rudnick LLP, Jeffrey Herman, Stuart Samuel Mermelstein and Arick Fudali of Herman Law, Laura S. Schnell of Eisenberg & Schnell, Genie Harrison of Genie Harrison Law Firm, Marie Henein and Alex Smith of Henein Hutchison LLP, Jill Greenfield of Fieldfisher, Negar Yazdani of BlackLion Law LLP, Aaron G. Filler and Chanel Katiraie of Tensor Law PC, Ronan Hynes of Keating Connolly Sellors, and Thomas Peter Giuffra and Jeremy Allan Hellman of Rheingold Giuffra Ruffo & Plotkin LLP.

The case is The Weinstein Co. Holdings LLC et al., case number 1:18-bk-10601, in the U.S. Bankruptcy Court for the District of Delaware.

<https://www.law360.com/media/articles/1161726/weinstein-co-demands-say-in-sex-abuse-settlement-talks>

## 27 East- Shinnecock Tribe Continues Billboard Work As Lawsuit With State Looms

By: Anisah Abdullah

May 21, 2019

The State Department of Transportation served the Shinnecock Indian Nation with a cease-and-desist letter on Friday, seeking to halt the tribe's billboard construction along Sunrise Highway in Hampton Bays and sparking the beginning of a legal battle that both parties are now preparing for.

The Nation ignored the request, as they had an earlier stop-work order issued by Southampton Town, and continued erecting the 61-foot-tall signs on Monday.

The contractor, Idon Media, was on site with heavy equipment and built most of the framework for the billboard on the south side of the highway. The northern billboard has not seen much progress in several weeks but likely will be completed shortly after the other is finished.

The Shinnecock Indian Nation Council of Trustees issued a press release Friday evening saying that the DOT sent its letter "without any legal basis." Tribal Trustees expressed their indignation toward both the state agency and Southampton Town government for what they consider to be unfair treatment, and a lack of respect of its status as a federally recognized Native American tribe.

"Today, the New York State Department of Transportation continued an unfortunate and unjust pattern of mistreatment and total disregard for the economic welfare and sovereignty of the Shinnecock Nation," the release read.

It continued, "The [DOT] and Southampton Town officials have attempted to illegally impose state and town law on our sovereign territory by mis-characterizing a questionable easement that grants limited rights to build and maintain a highway, but never grants ownership rights in the Nation's land."

The DOT confirmed that afternoon that it was pursuing litigation through the state attorney general's office.

"The Department of Transportation, in consultation with the Attorney General's Office, is reviewing the matter and in the process of taking appropriate legal action," Glenn Blain, assistant director of communications for the DOT, said in a statement.

The state had remained quiet about the billboards for weeks while work progressed at the site. But DOT officials had been actively communicating with the Tribal Council during that time. Tribal Trustees said they felt blindsided by the DOT in its latest actions to stop the billboard project and are ready to fight the issue in court. Council Chairman Bryan Polite said on Monday that the Nation would soon submit a court filing.

"We did everything in our power to try to work with the town, the DOT and our state," Mr. Polite said. "We're very disappointed with the DOT and the lip service that they gave us over the last month, and are extremely upset."

On Friday morning, State Police arrived at the construction site to serve a stop-work order against the Nation's contractor, Idon Media, on behalf of the DOT, Trustees said. This was the state agency's third stop-work order issued to the contractor since March 30.

So, later that day, the Council of Trustees said it met with the DOT's regional officials at their office in Hauppauge to sort out site plan discrepancies. This was one of several meetings in recent weeks that Nation officials viewed as an attempt to work together on the project, which Trustees stress that they did "as a courtesy" and not something they were required to do, since they do not recognize state authority over tribal lands.

Trustees then received a cease-and-desist letter from the DOT's headquarters in Albany upon returning from the meeting that afternoon. It stated that the project violates state highway laws and that all operations must cease immediately. It cited New York State Highway Law Section 52 and Vehicle and Traffic Law Section 1220-c, which both prohibit work within a state highway right-of-way without a work permit from the DOT.

Trustees are currently composing a response letter to rebut the assertions made. On Monday, the Nation posted its own work permit at the site, issued by tribal government, to allow its contractor to conduct all necessary work.

"We made it clear to them that we were not propelled to follow any of their guidelines, but that we would, in the interest of working with them, work with them toward doing the project from a safety standpoint, following their standards ... and we've been having these meetings all along," Council of Trustees Vice Chairman Lance A. Gumbs said. "And every time we went to a meeting, they would come back with something else that they wanted. Basically, they were stringing us along."

They also said the state did not notify them about plans to pursue legal action until the tribal officials read about it in an article published by The Press online on Saturday morning.

"Bring it on," Mr. Polite said as a response to the litigation. "We've been prepared for this."

Germain Smith, the tribe's general council secretary, said that the opposition, from government bodies and the public, have "lit a fire" within Nation members to pursue efforts to reacquire other property that they claim the town stole from them over a century ago, which they have sought in the past.

Additionally, in the tribe's press release sent out Friday evening, it mentioned that U.S. Representative Lee Zeldin had made "false statements" about the Westwoods property where the construction site is located.

Mr. Zeldin's office said it had simply shared this week that the U.S. Bureau of Indian Affairs had reported finding no records of the Westwoods land being held in trust. "Enforcement of federal highway law here is in the hands of [DOT] and New York attorney general," Katie Vincentz, a spokesperson of Mr. Zeldin's office, said in an email.

Tribal Attorney Tela Troge said the properties are fully owned by the tribe and not held in trust by the federal government, which she said backs up why they are exempt from highway regulations.

Mr. Polite also pointed out that the bureau's eastern regional office, which serves the Shinnecock Nation, said it did not have any contact with Mr. Zeldin's office regarding that information, based on recent email correspondence.

Ms. Vincentz clarified that the congressman's office was merely relaying information shared with him from the bureau, who she said was communicating with its regional department.

"As far as next steps, now that BIA has determined that the land was not held in trust, this issue is at the state level partially to determine, and New York State is researching, whether the 'Fee' land is aboriginal land," Ms. Vincentz said in an email on Saturday. "The federal government is not involved in that aspect."

Sunrise Highway crosses the tribe-owned Westwoods, and Ms. Troge has said the 1959 easement for the highway covers only the pavement itself. But she maintains that even that was an "illegal taking," because the agreement was not subject to an act of Congress, as the law requires when Native American lands are taken for municipal purposes. She also has said the status of Westwoods as aboriginal lands was strengthened by research during the Nation's federal recognition process, which uncovered much more detail connecting a wide swath of land to the tribe.

Shinnecock residents had been at the site every day since Saturday, showing "No Trespassing" signs to drivers. Commuters had been slowing down both mornings and afternoons to view the activity at the site, causing stop-and-go traffic beginning several miles west of the billboard site that may become more backed up this Memorial Day weekend. The traffic slowdown generally broke once vehicles made it past the billboards.

<http://www.27east.com/news/article.cfm/Hampton-Bays/593615/Shinnecock-Tribe-Continues-Billboard-Work-As-Lawsuit-With-State-Looms>

## CBS New York- De Blasio Orders Investigation Into 'Predatory Practices' By Taxi Medallion Brokers

May 21, 2019

NEW YORK (CBSNewYork) – Mayor Bill de Blasio has ordered an investigation into alleged predatory practices by taxi medallion brokers.

"The 45-day review will identify and penalize brokers who have taken advantage of buyers and misled City authorities. The review will set down strict new rules that prevent broker practices that hurt drivers," the mayor said in a statement Monday night. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

De Blasio's announcement follows a New York Times report on what it called "reckless loans to low-income buyers."

Medallion prices peaked in 2014, rising to more than \$1 million dollars. They now sell for less than \$200,000.

New York State Attorney General Letitia James said her office is also launching an investigation.

<https://newyork.cbslocal.com/2019/05/21/de-blasio-orders-taxi-medallion-investigation/>  
Patch- Probes Of NYC Taxi Industry Launched After Exposé

**By: Noah Manskar**

May 21, 2019

NEW YORK — New York City and state officials have launched probes into predatory lending practices in the taxi industry following an exposé in The New York Times.

In a 10-month investigation, the Times found industry inflated the prices of taxi medallions — which allow for the ownership of yellow cabs — and gave cabbies "reckless" loans to buy them. The practices left many drivers saddled with debt, more than 950 owners of medallions have filed for bankruptcy, the report says.

A day after the investigation was published, state Attorney General Letitia James and Mayor Bill de Blasio announced inquiries Monday into the business practices that the Times exposed.

De Blasio said he ordered a 45-day review of "predatory practices" by taxi industry brokers that will identify and punish those who have misled the city and exploited buyers. The inquiry will involve the Department of Consumer Affairs, the Department of Finance and the Taxi and Limousine Commission, which regulates the city's taxi industry.

"The review will set down strict new rules that prevent broker practices that hurt drivers," de Blasio, a Democrat, said in a statement. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

James, also a Democrat, said her office is looking into the "disturbing" reports of business and lending practices that she said may have caused the city's medallion crisis.

"These allegations are serious and must be thoroughly scrutinized," James said in a Twitter post. City Comptroller Scott Stringer also reportedly pushed for city action to address the crisis. In a letter to de Blasio, he recommended getting lenders together and urging them to forgive loans partially, the Times reported Monday.

While they're taking action now, the Times found that city and state officials ignored warnings that a dangerous bubble was forming in the taxi medallion market. The TLC passed the buck to

"bank examiners," while the state's Department of Financial Services said federal authorities were often responsible for keeping an eye on banks in the industry.

"Nobody wanted to upset the industry," David Klahr, a former TLC staffer, told the Times.

"Nobody wanted to kill the golden goose."

The Times's reporting came after a massive spike in foreclosure-related medallion sales. There were 381 such sales in 2018 — more than 10 times the 37 seen in 2017, records showed.

<https://patch.com/new-york/new-york-city/probes-nyc-taxi-lending-launched-after-expos>

Gothamist-- De Blasio Announces Investigation Into Exploitative Taxi Industry After Years Of Neglect

By: Jake Offenhartz

May 21, 2019

Mayor Bill de Blasio has ordered a review of predatory practices in the New York City taxi business, following [a scathing report in the New York Times](#) detailing how powerful industry leaders inflated medallion prices and exploited drivers as local officials willfully ignored warning signs about the collapsing market.

"The review will set down strict new rules that prevent broker practices that hurt drivers," the mayor said in a statement on Monday. "It's unacceptable to prey on hardworking New Yorkers trying to support their families and we'll do all that we can to put an end to it."

After reaching a high of \$1 million in 2014, the price of a medallion has plummeted in recent years, with the city's largely immigrant drivers facing the brunt of the consequences. Close to 1,000 medallion owners have filed for bankruptcy, and [at least eight professional drivers have taken their own lives in the last 18 months](#).

But while that collapse has [been widely blamed on the arrival of rideshare companies](#), a two-part Times investigation traces much of the devastation to lax oversight and reckless lending practices of shady brokers and big banks, which apparently saw an opening to take advantage of immigrant drivers. In some cases, drivers making \$30,000 a year said they were duped into signing contracts with hidden fees that left them on the hook for millions. Those contracts were fueled by practices "strikingly similar to those behind the housing market crash," according to the paper, and created a system that one analyst likened to "modern-day indentured servitude,"

In response to the reporting, de Blasio has announced a multi-agency investigation to be overseen by the Taxi and Limousine Commission, the Department of Finance and Department of Consumer Affairs over the next 45 days. New York Attorney General Letitia James will also probe the "disturbing reports" to see if lenders engaged in illegal activity.

Beyond the egregious lending activity, the Times exposé suggests that federal, state, and [city officials worsened the crisis](#), then essentially abandoned financially ruined drivers. Under Mayors Bloomberg and Mayor de Blasio, the city made more than \$855 million through selling taxi medallions and collecting taxes on private sales. Even as concerns about the medallion bubble swirled, the Taxi and Limousine Commission, a city agency ostensibly in charge of regulating the industry, declared the investment "better than the stock market."

While that regulatory neglect has roots in the early 1990s, the ruinous policies were continued by de Blasio, according to the Times. A close ally of the taxi industry, the current mayor and presidential candidate continued the practice of placing "political allies inside the Taxi and Limousine Commission and [directing] it to sell medallions to help them balance budgets and



fund priorities." According to Politico, [four of the mayor's ten major bundlers](#) in his 2013 campaign had ties to the taxi industry. When the medallion market crashed, de Blasio opted not to fund a bailout.

On Monday, Council Member Ritchie Torres alleged that his own efforts to probe the industry were stymied by the de Blasio-controlled agency. "The T.L.C. hasn't just been asleep at the wheel, they have been actively stonewalling," he said.

Meera Joshi, the de Blasio-appointed leader of the T.L.C. who stepped down earlier this year, essentially admitted as much, telling the Times: "There were lots of players, and lots of people just watched it happen. So the T.L.C. watched it happen. The lenders watched it happen. The borrowers watched it happen as their investment went up, and it wasn't until it started falling apart that people started taking action and pointing fingers."

On Monday, the Taxi Workers Alliance, a group that represents drivers, praised New York officials for finally paying attention to the crisis. But they also wondered what took so long, and whether the city would actually take steps to help drivers impacted by decades of failed policy. "We've been sounding the alarm on the crisis of suicides, foreclosures, and bankruptcies among our city's professional drivers for years," said NYTWA Executive Director Bhairavi Desai in a statement. "It shouldn't have taken nine suicides and thousands of families destroyed for people to listen, but we are determined to end this crisis."

[http://gothamist.com/2019/05/21/taxi\\_industry\\_medallion\\_probe.php](http://gothamist.com/2019/05/21/taxi_industry_medallion_probe.php)

## Atlantic Black Star- Is Mayor Bill de Blasio's Administration Targeting Black, Latino Communities for Foreclosure?

By: Tanasia Kenney

May 21, 2019

New York Mayor Bill de Blasio's administration has taken steps to foreclose on over 400 homes in Black and Latino communities under a controversial policy allowing the city to take away properties, along with years' worth of equity, from homeowners.

The efforts were uncovered by records from the city Department of Housing Preservation and Development, the New York Daily News reported.

City data shows that communities in Brooklyn, the South Bronx and upper Manhattan have been most affected by the policy, commonly known as the third-party transfer program. The city has launched transfers proceedings under the policy on approximately 69 buildings across the Brooklyn communities of Fort Greene, Crown Heights and Bedford-Stuyvesant since De Blasio's second year on City Council in 2015. Of those, seven properties have been transferred to interim owner and local nonprofit Neighborhood Restore.

Meanwhile, the city of New York also initiated third-party proceedings on an estimated 107 homes and foreclosed on 20 in local Council districts that includes Williamsburg, Bushwick, Brownsville and East New York, also in Brooklyn. Such was the case for three South Bronx districts, where 83 third-party proceedings have been launched since 2015, city data shows. Eighteen of those properties are now under new ownership.

Citywide, the city has foreclosed 62 properties via the program in just the last four years. The program, which began in the 1990s under the administration of former New York Mayor Rudolph Giuliani as an alternative to the tax lien auctions that hit property owners who fall too far in arrears on property taxes or city water and sewer fees, gives the city more control over

what happens to properties and their tenants than it would have for properties that fall into the hands of private bidders who snap up such buildings at auction.

Rising property values in neighborhoods that are becoming gentrified would increase taxes on properties in such communities, which often leaves many Black and Latino homeowners struggling to pay those higher tax bills and at risk of losing their homes.

De Blasio, who entered the race for president last week, announced in January his plans to expand the laws governing the contentious program, according to The Real Deal. Under his plan, seizure powers would be expanded in a new program to include “the worst buildings that have failed to correct violations and pay the debt they owe the City within a reasonable timeframe,” city officials said.

Not everyone is a fan of the program, however. Critics of the third-party transfers, particularly homeowners and lawyer-advocates, say the city has done a less-than-swell job of notifying property owners who are at risk of losing their investments.

“A lot of these homeowners had no idea these properties were being taken out from under them,”

**Scott Kohanowski** of the **City Bar Justice Center’s Homeowner Stability Project** told the New York Daily News. “And the city takes all that equity. That’s the most appalling part.”

Others, including City Councilman Robert Cornegy, argued that the program has already “proven deeply problematic for black and brown homeowners” in the city’s outer boroughs. Several local politicians, including new Attorney General **Letitia James** Brooklyn borough president Eric Adams, have also criticized the program and called for it to be put under more scrutiny.

Serge Joseph, an attorney for residents of a foreclosed property in the Bronx, said their co-op board didn’t receive any notice before the building was handed to a new owner.

“[They] thought their arrears were being taken care of,” said Joseph. “They entered into an agreement plan with the Department of Finance. Then out of the blue, they were informed the co-op no longer owned the building and that the deed was transferred to Neighborhood Restore.”

As reported by the Daily News, “The current debt threshold for the city to initiate third-party transfer is at least \$1,000 in city arrears for at least one year, or \$1,000 for at least three years” via the city’s Housing Development Fund Corporation program. However, the city has its eye on properties with large amounts of debt — \$900,000 to be exact.

City officials insist property owners and tenants are notified via mailed notices, fliers, robocalls, and even forums when their homes are being looked at for possible transfer. However, residents say it’s often too little, too late.

“[The city] told people there’d be no more shareholding, but they didn’t explain anything,” said Cecilia Jones, 74, who bought 250 shares for her unit in 1996. “They didn’t say why.”

Jones’ Dean Street apartment has since been taken over by Neighborhood Restore and the Bridge Street Development Corp.

<https://atlantablackstar.com/2019/05/21/is-mayor-bill-de-blasios-administration-targeting-black-latino-communities-for-foreclosure/>

## Honolulu Civil Beat- Hawaii AG Joins Group Suing Trump Over Health Care

*Twenty-three cities and states want to block the administration’s rule alleged to allow discrimination*

By: Chad Blair

May 21, 2019

Hawaii Attorney General Clare Connors on Tuesday joined a coalition of 23 cities, states and municipalities in a lawsuit filed against a Final Rule issued by the Trump administration's Department of Health and Human Services.

According to a press release, the rule seeks to expand the ability of businesses and individuals to refuse to provide necessary health care on the basis of businesses' or employees' "religious beliefs or moral convictions."

The federal lawsuit, filed in New York, seeks to enjoin the rule and prevent it from going into effect.

"This rule is a license to discriminate," said Connors. "It allows health care providers to refuse service based on personal beliefs about who is worthy of receiving the provider's services. As such, it is a misinterpretation of religious freedom that could have devastating consequences."

Connors joins New York Attorney General Letitia James in filing the lawsuit along with the City of New York, Colorado, Connecticut, Delaware, the District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin, the City of Chicago, and Cook County, Illinois.

Roger Severino, director of HHS's Office for Civil Rights, promised to "defend the rule vigorously."

"The rule gives life and enforcement tools to conscience protection laws that have been on the books for decades," [he said in a statement](#).

<https://www.civilbeat.org/beat/hawaii-ag-joins-group-suing-trump-over-health-care/>  
NY Post- How state Republicans plan to beat the Democrats

By: Bernadette Hogan

May 21, 2019

New state GOP Chairman Nick Langworthy, taking over a Republican Party in shambles, said Democratic overreach could help put more Republicans in office.

He said New York's anti-business climate and the Democratic Party's push to make it **easier to get abortions** has more people looking to the GOP.

"One of the most critical things that we have had people coming and enrolling in our party is because of the legalizing of the partial-birth abortion that the [state] Legislature slammed through, and then celebrated by lighting up the Empire State Building pink," Langworthy said at an Albany press conference.

"I think there are Democrats that have been appalled by that and you have people walking away from their party because they're disgusted by the Democrats celebrating," he added.

But Langworthy, 38, the Erie County chairman who **will succeed current chairman Ed Cox in July**, also acknowledged he faces a daunting task. It will take more than a few policy differences with Democrats to stem the GOP decline; a Republican has not won a statewide race since 2002.

Massive losses in state and congressional races last fall crippled the party further. The Republicans lost control of the state Senate, their last bastion of power in New York.

Democrats, who hold a better than two-to-one voter enrollment edge, now control all levers of state government: the governorship, the Assembly and Senate, and the offices of comptroller and attorney general.

In some parts of the state — particularly most of New York City — the GOP is irrelevant.

Langworthy told The Post the party will have to do a better job of coordinating fundraising for all its candidates from the top of the ticket for statewide races to down-ballot legislative races.

All the statewide candidates last year — for governor, comptroller and attorney general — were blown out by double-digit margins, outgunned by better-financed incumbents: Gov. Andrew Cuomo, Comptroller Tom DiNapoli, as well as new Attorney General Letitia James.

When they were in the majority, thanks to a power-sharing deal, Republicans in the state Senate were able to raise donations, as money follows power. But they largely operated independently of the rest of the GOP establishment, and now the party fundraising apparatus is in deeper dire straits without the Senate as a power source.

“We need to invest in the infrastructure of our party . . . It’s not just checks, it’s the manpower to build a 62-county party,” Langworthy told The Post.

“What hasn’t happened in the past is take a game plan to our contributors. We’ll re-engage, reinvest to find a way forward and have a plan and change the culture in the state of New York.”

He continued, “In the past, things seemed very separate. I wasn’t intimately involved in those arrangements, we’ll need as much collaboration as we can.

Langworthy said candidate recruitment will be a priority and that there will be sensitivities to regional differences, **particularly between New York City** and the more conservative upstate area.

Bombast that works in some areas is not the right approach in others, he said.

<https://nypost.com/2019/05/21/how-state-republicans-plan-to-beat-the-democrats/>

**Cannabis Now- Majority of Attorneys General Call for Passage of SAFE Banking Act**  
*A group of 38 attorneys general penned an open letter urging Capitol Hill to pass a pending bill that would give cannabis businesses access to the federal banking system*

By: Bill Weinberg

May 21, 2019

A bipartisan group of attorneys general from 33 states and five territories have sent a letter to Congress calling for swift passage of the Secure & Fair Enforcement (SAFE) Banking Act — legislation that would reform banking regulations affecting institutions that handle cannabis-related accounts.

The May 8 [letter](#) notes that a major new industry is currently barred by federal law from accessing financial services and states that passage of the [SAFE Banking Act](#) would serve the aims of “protecting public safety and bringing grey market financial activities into the regulated banking sector.”

All in all, 33 states and several U.S. territories have legalized medical marijuana. “However, because the federal government classifies marijuana as an illegal substance, banks providing services to state-licensed cannabis businesses... could find themselves subject to criminal and civil liability under the federal Controlled Substances Act and certain federal banking statutes,” the letter says. “This risk has significantly inhibited the ability of financial institutions to provide services to these businesses and companies.”

*Contradiction Between State and Federal Law*

The letter stresses that “[d]espite the contradictions between federal and state law, the marijuana industry continues to grow rapidly. Industry analysts estimate 2017 sales at \$8.3 billion and expect those totals to exceed \$25 billion by 2025. Yet those revenues are handled outside of the regulated banking system.”

The AGs note that this disparity has absurd consequences: “Businesses are forced to operate on a cash basis. The resulting grey market makes it more difficult to track revenues for taxation and regulatory compliance purposes, contributes to a public safety threat as cash-intensive businesses are often targets for criminal activity, and prevents proper tracking of billions in finances across the nation.”

The letter also emphasizes that the signatories are not endorsing “the legalization of medical or retail marijuana in those jurisdictions that choose not to pursue such an approach.”

Nonetheless, “the reality of the situation requires federal rules that permit a sensible banking regime for legal businesses.”

The SAFE Banking Act would create a “safe harbor” for financial institutions that service the cannabis industry. “An effective safe harbor would bring billions of dollars into the banking sector, enabling law enforcement; federal, state and local tax agencies; and cannabis regulators

in 33 states and several territories to more effectively monitor cannabis businesses and their transactions.”

### *A Cash Industry in a Digital World*

One glaring absurdity of the status quo is that the booming cannabis industry is heavily reliant on cash in a world economy that is fast going cashless. [National Public Radio](#) last month ran a report on the dilemma, tellingly entitled “Bags of Cash, Armed Guards and Wary Banks: The Edgy Life of a Cannabis Company CFO.”

Profiled is Tom DiGiovanni, chief financial officer with [Canndescent](#), a firm supplying pre-loaded vape-pens, connoisseur bud, high-end oils and other such posh products throughout California. But instead of “poring over balance sheets and bank statements,” his job “involves managing bags of cash by the millions which must be counted, then hauled in armored vehicles.” He is described going about his daily business in an “unmarked armored van where there’s a metal cage to protect the revenues for his company... from would-be thieves.”

Along with prominent signatories such as Xavier Becerra of California and Letitia James of New York, the attorneys general letter was signed by Edward Manibusan of the Northern Mariana Islands, which last year became the [first U.S. territory to legalize](#) cannabis; Leevin Taitano Camacho of Guam, which [followed suit](#) earlier this year; Denise George of the U.S. Virgin Islands, which [legalized medical marijuana](#) this year; and Wanda Vázquez Garced of Puerto Rico, which [legalized medical marijuana](#) in 2015.

The SAFE Banking Act is currently before the House Subcommittee on Crime, Terrorism, and Homeland Security, having already [cleared](#) the House Financial Services Committee in March. The bill’s co-sponsor, Rep. Ed Perlmutter, a Colorado Democrat, [tweeted](#) his appreciation for the attorney’s general letter. “This support underscores the need to get cash off our streets and allow legitimate cannabis businesses access to the banking system once and for all,” he wrote.

<https://cannabisnow.com/majority-of-attorneys-general-call-for-passage-of-safe-banking-act/>

NY 1- A.G. Letitia James Announces Lawsuit to Combat Health Care Discrimination From the White House (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=b669bda7-f9f6-46d6-8940-2d14408eb60c>

NY 1- State Attorney General Also Investigating Taxi Industry Practices (VIDEOS)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=e22893ea-e253-461f-9d38-2a0ca518e85d>

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=906cdd97-1a01-4fc5-bd9f-0f6938da8fa9>



## ABC 7- New York Launches Probes into Practices of Taxi Medallion Brokers (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=c7dc4214-3963-4610-9a6d-a0bed63cf9cd>

## WSYR (ABC Syracuse)- Double Jeopardy Bill (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=b3f32abf-9144-4445-8828-e7c3a682eff3>

## News12 Westchester- Lawsuit to Stop Health Care Discrimination (VIDEO)

May 21, 2019

<http://mms.tveyes.com/PlaybackPortal.aspx?SavedEditID=0df3ca55-662c-464e-8a08-5bba723e6e44>

## The Real Deal- Extell just went public with Central Park Tower listings

*Sales officially launched in October 2018*

By: E.B. Solomont

May 22, 2019

Seven months after launching sales at the most expensive condominium project in the city's history, Extell Development has publicly listed the units at Central Park Tower.

In a departure from a trend among developers who never release listings publicly, the Gary Barnett-led firm listed seven units ranging from a two-bedroom that's asking \$6.9 million to a five-bedroom asking \$63 million. The latter spans 7,074 square feet and has estimated monthly common charges of \$10,587 plus monthly real estate taxes of \$19,619.

With 179 luxury condos, the project at 217 West 57th Street has a projected sellout of more than **\$4 billion** — making it the priciest condo project in New York City to date. At 1,500 feet, it will also be the tallest residential building in the world.

There are 20 condos priced above \$60 million, including a penthouse that will ask \$95 million, according to the project's offering plan. Residences start on the 32nd floor, above a seven-floor Nordstrom and Central Park Club, a 50,000-square-foot amenity space across three floors that will feature billiards, a screening room, a basketball court and a 60-foot outdoor pool with cabanas.

Extell **launched sales** last year, several months after getting the green light from the New York Attorney General's office. It's unclear how many units Extell has sold to date; under terms of its \$1.4 billion in financing, the developer must sell **\$500 million worth of units** within three years. In recent years, developers have opted to keep listings close to the vest — a tactic that's made it harder to track sales volume at a time when the luxury market is soft. Vornado Realty Trust has not listed any active listings at Central Park Tower. Three rentals are currently listed on

StreetEasy, however.

<https://therealdeal.com/2019/05/21/extell-goes-public-with-central-park-tower-listings/>

Business Insider- Top House Democrat: Reports of Deutsche Bank squashing shady Trump financial transactions 'reinforces the need' for Deutsche to comply with Congress' subpoena

By: Sonam Sheth

May 22, 2019

The chairwoman of the House Financial Services Committee told INSIDER on Tuesday that a New York Times article detailing how [Deutsche Bank buried reports of potentially illegal financial activity](#) linked to President Donald Trump and Jared Kushner "reinforces the need" for the panel "to obtain the documents we have subpoenaed from the bank."

"This proves my point that as the Financial Services Committee examines and considers reforms to our nation's anti-money laundering laws, we must consider issues as whether bank executives have too much discretion in the process for reporting suspicious financial activity to the Treasury Department, and the information we have subpoenaed from Deutsche Bank will help to inform that legislative process," Rep. Maxine Waters told INSIDER.

Waters' statement came after The Times reported that several Deutsche Bank employees flagged suspicious transactions involving legal entities controlled by Trump and Kushner, and recommended they be reported to the US Treasury Department's financial crimes unit.

But according to The Times, top executives at the bank declined to do so and the reports were never filed.

Tammy McFadden, a former Deutsche employee who used to work at the bank's anti-money laundering division, also told the outlet she reported a series of suspicious money transfers between Kushner Companies and Russian individuals at the height of the 2016 US election.

She discovered the transfers in the summer of 2016. At the time, Trump was the Republican nominee for president, and the Russian government's effort to interfere in the US election and propel Trump to the Oval Office was well underway.

Usually, a report like McFadden's would be reviewed by a team of anti-money laundering experts who work separately from the private-banking division, McFadden and two other former Deutsche Bank managers told The Times.

But in this case, the sources said the report went to managers in New York who were part of the private-banking division. They decided McFadden's concerns were unfounded and decided not to submit the report to the government's financial crimes watchdog.

Deutsche Bank has long been under scrutiny for its lax lending standards, as well as its willingness to do business with Trump when most other banks refused to work with him because of his financial troubles.

The House Financial Services Committee and the House Intelligence Committee subpoenaed Deutsche Bank in April as part of a joint investigation into Trump's financial dealings. They also subpoenaed JPMorgan Chase, Citigroup, and Bank of America as part of an investigation into Russian money laundering in the US.

Shortly after, Deutsche Bank began turning over documents to the committees. But Trump, his children, the Trump Organization, and the Trump family trust later [sued](#) Deutsche and Capitol One to prevent them from complying with congressional subpoenas.

The lawsuit alleges that the subpoenas "have no legitimate or lawful purpose" and were issued to "harass" Trump and "to rummage through every aspect of his personal finances, his businesses, and the private information of the President and his family, and to ferret about for any material that might be used to cause him political damage."

According to financial disclosures and public filings from 2012 to 2015, Deutsche has loaned Trump's businesses more than \$300 million to finance a golf course in Florida and hotels in Chicago and Washington.

Kushner has also disclosed that he and his mother have shared an unsecured line of credit from the bank ranging from \$5 million to \$25 million.

Deutsche Bank is also in the process of turning over documents about Trump's finances to the office of New York Attorney General Letitia James, a person familiar with the matter confirmed to INSIDER last month.

James in March subpoenaed Deutsche Bank and Investors Bank in New Jersey for records related to several Trump properties. James' subpoena was based on the testimony that Michael Cohen, Trump's former lawyer and longtime fixer, gave in February to the House Committee on Oversight and Reform.

<https://www.businessinsider.com/maxine-waters-deutsche-bank-subpoena-trump-kushner-2019-5>

**To:** Randall M. Fox [REDACTED]  
**Cc:** Tanikella, Sujata [REDACTED]; [REDACTED] James@ag.ny.gov]  
**From:** James Walsh [REDACTED]  
**Sent:** Tue 1/8/2019 12:19:44 PM (UTC-05:00)  
**Subject:** Re: Anonymous v. Anonymous, Index No. 101426/14

[2019.01.07 To the NYSAG James and Judge.pdf](#)

[101426-2014 \(Order\) 1.2.2019.pdf](#)

[Diagrams detailing Fraud of Bonjour 620 Mezz IV and Mezz I LLC.pdf](#)

[2018.05.15 new highlighted SSRN-id2678217 Bradley Borden 1031 drop and swaps thirty years after bolker .pdf](#)

[1775 Broadway \( 3 Columbus Circle\) Moinian Zamir.pdf](#)

[Groups urge Cuomo to lead nation on campaign finance reform - NY Daily News.pdf](#)

update

Leticia James Esq.  
Attorney General of the State of New York  
28 Liberty Street  
New York, NY 10005  
212-416-8000

Hon. James d'Auguste, J.S.C.  
Supreme Court of the State of New York  
County of New York  
80 Centre Street Rm 122  
New York, New York 10013

Re: Anonymous v. Anonymous, Index No. 101426/14

Dear Justice d'Auguste:

**Did the NYSAG ask the NYS Department of Taxation and Finance to check if Bonjour 620 Mezz IV LLC filed a NYS Partnership Tax Return for 2012?** A year in which it was

formed and assigned the sole membership interest in Bonjour 620 Mezz I LLC by its members DOSH Business LP and CBD New York LP. And in that same year entities that Bonjour 620 Mezz IV LLC was sole member (acquisition entities) purchased replacement properties 174 Montague and 100 Broad LLC and sole membership in Franklin Broadway Holdings LLC (acquisition entity for 358 Broadway) was assigned to it.

Any really good fraud relies to some extent on complexity and then a trick. The complexity is necessary to deter any reviewer and therefore more complexity is better and then a trick which allows the fraud to hidden in plain sight by a simple action of the deceiver. In this case of tax fraud, the taxpayer purchased 5 replacement properties and filed for a Code Sec. 1031. My initial filing with the IRS was based on the first two purchases of replacement property, 525 Clinton Avenue and 333 Green Avenue. In both those cases the taxpayer purchased defaulted mortgages from lending institutions after purchasing the contracts of others to purchase said mortgages because of the time restrictions of Code Sec. 1031 namely the 45-day identification period and 180-day exchange period.



The Trick

My initial report centered on fact that “evidences of indebtedness” are a “nonqualified asset” (both 525 and 333) and the purchase of 333 did not close within the 180-day exchange period and was therefore deemed non-like-kind and exchange funds used in purchase (\$16.1M) taxable “boot”. What I am describing is the larger of the first exchange of sale of Charles Dayan’s TIC interest in 620 Avenue of the Americas of 40% (held 35% and 5%) sold 55% on 12/27/2011 and 45% on 10/4/2012.

This is my second NYS False Claims Act case. In my first case the defendants where Asher Zamir and Joseph Moinian. As a result of that case one of the defendants, Asher Zamir, paid NYS \$1.1M and as relator after attorney fees I received \$140K. My attorney in that case was William Comiskey Esq. former Assistant for Enforcement of the NYS Department of Taxation and Finance.

	Chetrit	Charles Dayan	Levy
	40%	35%	5 20%
55% Sale to RXR 12/27/11		Bonjour 620 (Mezz) I LLC	Bonjour 620 I LLC
45% Sale to RXR 10/4/12		Bonjour 620 Mezz I LLC	Bonjour 620 I LLC

#### Plain Vanilla Code Section 1031 failings

Initial review and analysis sent to the NYSAG typical fraud in a Code Section 1031 tax deferred exchange which typically is centered around requirements for timely identification and timely purchase of replacement property and this was the case of in the 55% and 45% sales of the 35% TIC interest in 620 Avenue of the Americas of Bonjour 620 I LLC whose sole member was Bonjour 620 Mezz I LLC a tax partnership whose members were 60% by DOSH Business LP and 40% by CBD New York LP.

In the 55% sale on 12/27/2011 it was found that the purchase of 333 Greene Avenue failed because it did not close in 180 days creating \$16.1M in taxable “boot” and the purchase of 100 Broad Street as “related party” replacement property was overvalued by approximately \$13M (37.8 – 25) causing the taxpayers attempt to purchase FMV of replacement property equal to FMV of relinquished property to obtain full nonrecognition of gain to fail.

In the case of the 45% sale of TIC interest in 620 Avenue of the Americas the taxpayer purchased replacement property, 41-17 Crescent Street in Long Island City on July 22, 2012, beyond the extended by Hurricane Sandy to 4/1/2013, expiration of the exchange period which makes \$28M in exchange funds invested non-like-kind and therefore taxable boot.

The knowingly filing of the returns for exchanges which the taxpayer knows fail the requirements of Code Sec. 1031 cause the entire exchanges to fail and make entire gains on these sales taxable. The list of failures as documented in Randall Fox Esq. “analysis of the documents” provided to the NYSAG is extensive. By approximately early 2017 the taxpayer owes tax on these failed exchanges of approximately \$75M.

The process of getting to this point was at points arduous and I had to push to get Fox to agree with the points and include it in revisions to the “analysis of documents” including that the Hurricane Sandy extension of the exchange period was only until 4/1/2013. Eventually it got done because I had gone out and purchased, Tax-Free Like-Kind Exchanges (2015) by Bradley T. Borden from Brooklyn Law in 2016 and have been studying exchanges ever since. The Hurricane Sandy extension was a point of contention based on the opaqueness of the code language but and explanatory example from Borden fit the case facts perfectly and that debate ended.



In 2016 the NYSAG received a proffer from the white-collar attorneys for the taxpayer which indicated that the FMV of 100 Broad Street "related party" replacement property purchase with the takeback note may have been overstated.

The proffer also restated that the taxpayer was aware that 333 Greene Avenue not closing in the exchange period was an issue which was solved by the Taxpayer taking additional funds and purchasing additional replacement property. This "replacement cash" argument was originally made by Zev Friedman CFO in letter to an auditor from the NYS Department of Taxation and Finance. This terminology is not part of Code Sec. 1031, this was made up concept to justify why the taxpayer did not recognize gain and pay tax on \$16.1M.

Early on Fox had paid Borden a fee to read the original case, met him for lunch and received some communication of his thoughts and then Borden was never heard from again and whatever he shared with Fox was never transferred to me. But I had what I needed, I had the book.

**By roughly the beginning of 2017 the case against the taxpayer is sufficient to assess that the returns of the taxpayer were fraudulent and tax and penalty under the NYS False Claims Act were due on approximately \$75M.**

The NYSAG Sujata Tannikella was occupied on other case(s) and Fox and I were informed that she would prospectively turn back to the case at various points in the future with the last update being that she would pick up the case in "late fall" 2017. This was the last update until late fall 2018 which will be described later. (I has received my payout from Zamir in early 2016 and paid my mortgage current as well as replace my dead boiler the previous fall with the partial earlier payment I negotiated with the NYSAG.)

At around this time Fox began advising me that I should stop working on the case because this was the investigation of the NYSAG and it was up to them what they did with the case. But there were open questions about what the taxpayer was up with the creation in May 2012 of new mezzanine level entity Bonjour 620 Mezz IV LLC five months into the six-month (180 day) exchange period. With the receipt of the first documents which came from Madison Exchange this new entity was part of the equity structure of the purchase of replacement properties, 174 Montague Street and 100 Broad Street (purchased from related party to the taxpayer). And the previously purchased 358 Broadway was assigned into a equity structure which also included Bonjour 620 Mezz IV LLC. In the case of 525 Clinton which had been purchased in March 2012 but was never assigned into such a equity structure the CFO, Zev Friedman was directed to state that the sole member of Clinton 525 LLC was Bonjour 620 Mezz IV LLC in July 2017 when 508 Waverly was being split off from 525 Clinton. To use Bradley Borden's terminology this would be a "proximate business restructuring" which may or not cause the exchange to fail. But at this time I had not reached a conclusion with regard to how Borden applied but knowing nothing more than that the taxpayer filed Form 8824 for the exchange of Bonjour 620 Mezz I LLC attached to the partnership returns of Bonjour 620 Mezz I LLC, I knew this did not work because your could not file a tax return which included transactions above the taxpayer entity because tax pass through entities only go up the structure. Bonjour 620 Mezz IV LLC was inserted below partners DOSH and CBD as sole member of Bonjour 620 Mezz I LLC. I drew a simple diagram and sent to Fox and said this structure did not work. I got no reply to that email. Here we had the taxpayer changing the structure of his exchange at the end of the exchange period and obviously putting the nonrecognition of gain at risk. **Why?**

I pushed forward and eventually the question of a possible second exchange of Bonjour 620 Mezz IV which based on structure would be a tax partnership made it into the last Fox update of the "analysis of documents". Also included in the last Fox update was the fact that the "Assignment Agreement for Replacement Property" for 358 Broadway was backdated.

Code Sec. 1031 has hard date rules and therefore when Madison Exchange prepares exchange documents which involve such dates the signature line for Madison as Qualified Intermediary had the associated signature date line included as part of the word-processed document. The date is printed. Madison does this to protect themselves from tax fraud liability to the IRS. If you as taxpayer want to backdate a document, it will be apparent that you did it and not Madison Exchange LLC. I compared this document from the subpoenaed documents where typed date was 5/21/2012 and taxpayer signature line dated 7/12/2012 with the copy from the files of Madison Exchange which had been manually erased and handwritten in both cases to 4/2/2012 the acquisition date of 358 Broadway as replacement property.

This backdated document also had strange legal description where "by and between Franklin Broadway Holdings LLC a single member LLC disregarded for tax purposes wholly owned by Bonjour 620 Mezz IV LLC sole member of Bonjour 620 Mezz I LLC". Legal descriptions of tax structures like tax returns only go "up". This description goes up from Franklin Broadway Holdings LLC to Bonjour 620 Mezz IV LLC and then turns down and references that Bonjour 620 Mezz IV LLC is the sole member of Bonjour 620 Mezz I LLC. **Why?**

The purchase of replacement property using a Qualified Intermediary are Direct Deeded from the seller of the replacement property the buyer, the taxpayer. The Assignment Agreement for Replacement Property needs to be in place assigning the contract to purchase the replacement property before the closing to be effective. The backdating of this document destroys the Direct Deeding and the purchase of replacement property fails.

So, what is the taxpayer up to?

The strange inclusion of Bonjour 620 Mezz IV LLC and Bonjour 620 Mezz I LLC in the description of the Assignment Agreement for Replacement Property above indicates this document is to be used to document two different exchanges both of which use 358 Broadway as a replacement property which of course is **FRAUD**. And if that is the plan then their must be a relinquished property or properties for this other exchange. From the public record and the subpoenaed documents, we know of 3/15/2012 the taxpayer sold his 50% TIC (tenancy in common) interest in 5 Beekman Street for \$32M in cash. ("all cash"). The original mortgage on the property had been partially paid and the remainder \$22M had been canceled by the lender. This gave the taxpayer a tax item for \$11M taxed as ordinary income for cancellation of debt. The taxpayer took "actual receipt" of the proceeds of \$22M (see bank statement) and in lending discussions with VNB continued to describe these funds as "1031" funds showing intent to file for an exchange for these funds which are disqualified from satisfying the exchange requirement. See emails with Valley National Bank and worksheet provided to VNB which combines funds from

620 Avenue of the Americas with funds from 5 Beekman and other financings to purchase the replacement properties. (525, 358, 174, and 100)

The taxpayer had one other problem with the Direct Deeding in that some amount of exchange funds must be expended by the QI to purchase "Qualifying Assets" and all funds used to purchase 358 were from sale of 50% TIC interest in 5 Beekman and none from the 55% sale of 35% TIC interest in 620 Avenue of the Americas. There was a mix-up of on a water bill at the closing which led to the QI issuing check to Madison Title LLC for this operating expense which is non-qualifying asset. The taxpayer had the QI issue another check for the same amount, \$6525, to the seller United Central Bank asserting this payment was for acquisition of the property. This is the second failing of the requirements for Direct-Deeding under Code Sec 1031 and shows intent to commit fraud.

Now we look at the other Assignment Agreements for Replacement Property and we notice that one other match what we observed above. The Assignment for 100 Broad Street doe the same thing, "by and between Franklin BH LLC a single member LLC disregarded for tax purposes wholly owned by Bonjour 620 Mezz IV LLC sole member of Bonjour 620 Mezz I LLC". It is only these two therefore the relinquished property for this fraudulent second exchange of Bonjour 620 Mezz IV LLC includes both 358 and 100 and FMV of up to \$55M (17 + 37.8). 5 Beekman is \$22M which may mean that other relinquished property for this fraudulent exchange may of FMV for the remainder, \$23M.

As in the case of 358, we must check and see if the Assignment Agreement for Replacement Property for 100 Broad Street is "backdated". And once again the documents prove that the Assignment Agreement is backdated. In this case the first page is updated with the language same as 358 and the second page is the signature page of the original version. We even have an email of Hyman Kindler asking why does the second page have to be resigned for the updated document produced a day after the closing of 100 on 6/20/2012. The answer is to prevent backdating. Madison takes this hybrid document into its files for the exchange.

Fox has never acknowledged that this is a backdated document. Why?

This Assignment Agreement is revised also to change the acquisition entity from Bonjour 620 Mezz IV LLC (a tax partnership) to Franklin BH LLC a more appropriate single member LLC disregarded for tax purposes. The attorneys for the taxpayer arranged for Bonjour 620 Mezz IV LLC to be the original acquisition entity for the purchase of 100 so that the \$36.8M takeback note will have Bonjour 620 Mezz IV LLC as its maker which after email of Zev Friedman CFO (agent of the taxpayer) inserts Franklin BH LLC, taking responsibility for the fraud, the note will be held by what was always a "mezzanine entity" and "window dressed" to look like mezzanine loan note and considered cash for Code Sec. 1031.

The "related party" (the taxpayer purchased a property he already owned from himself) requires that the taxpayer complete a follow-on exchange for the related party entity which sold the replacement property, in this case 100 Broad LLC. The requirement of the note be a non-mortgage note (no underlying lien) or cash for Code Sec. 1031 is described in Hyman Kindler email, "Revised Exchange Structure". This requirement is related to the "all cash" nature of the

proceeds of sale of 50% interest in 5 Beekman and any other relinquished properties totaling the FMV of \$55M of this fraudulent other exchange. This comes from the tax court derivation that the FMV of a property includes cash equity and any mortgage debt with a "lien" on the property.

Before we look at this required follow-on exchange and its purchase of replacement property, we need to look back at what the taxpayer is doing and determine whether there are any other ramifications under Code Sec. 1031. As I noted before I had earlier looked at this structure which added Bonjour 620 Mezz IV LLC on 5/11/2012 (180-day exchange period ended 6/24/2012) and determined this could not be a valid exchange for Bonjour 620 Mezz I LLC. The "Single Taxpayer Requirement of the Exchange Requirement", with some exceptions for partnership divisions or mergers, requires that a "Single Taxpayer" complete an exchange.

The taxpayer by inserting Bonjour 620 Mezz IV LLC as sole member of Bonjour 620 Mezz I LLC and making it a tax partnership means that the taxpayer that started the exchange is not the taxpayer that finished the exchange. This fails the Single Taxpayer Requirement and the exchange fails. The taxpayer has knowingly destroyed his Code Sec. 1031 exchange. Why?

Around this time, I am recommended by Fox to stop analyzing the structure of these transactions as I am giving the taxpayer the opportunity to assert that he relied on his attorney's and accountants advice and therefore not responsible for the fraud.

On 10/26/2012 the CFO, Zev Friedman issues an email which asserts to Madison Exchange the QI, that the new structure, evidenced by a number of legal documents, placing the equity structure of Bonjour 620 Mezz IV LLC above Bonjour 620 Mezz I LLC as its sole member didn't happen. And that "Bonjour 620 (Mezz) IV LLC is wholly owned by Bonjour 620 (Mezz) LLC. As such I will continue using Bonjour 620 (Mezz I) as the purchaser of replacement property." (CD027299). This is a false as the executed formation documents show the opposite, and Zev knows it. He sends follow-up email to Esther Rozansky to force the issue because she is resisting based on the earlier structure statement by Zev Friedman.

When you first see this email and know that the premise that Bonjour 620 IV LLC is wholly owned by Bonjour 620 I LLC is false. You do not know what to think. He also leaves out the "Mezz" in both LLC names in addition to the relationship being reversed.

By leaving out the "Mezz" from the LLC names, Zev is trying to leave himself some deniability while taking responsibility for the transaction for the taxpayer from the attorney who is directing this set of transactions.

In retrospect this fraud may appear to be a simple jump, but it wasn't. I had known this was a major fraud, beyond a failed exchange, for a while and had battled with Fox over whether he inform the NYSAG in the "Analysis of the Documents" which he eventually did and then about whether the NYSAG will actually request the tax return of Bonjour 620 Mezz IV LLC, which as a tax partnership must file, to obtain its fraudulent Form 8824 for an exchange "reusing" replacement property, 358 Broadway and 100 Broad Street.

The prepared closing documents have Bonjour 620 Mezz IV LLC as the acquisition entity purchasing 100 Broad Street. As part of this process Hyman Kindler is reviewing and marking up corrections to the NYS transfer tax forms for the transaction. These forms include the Fed Tax ID # of the buying entity and when I looked at the number something went click. I had seen it before, so I checked and was correct the Fed Tax ID # on the Transfer Tax forms for purchasing entity Bonjour 620 Mezz IV LLC was the Fed Tax ID # of Bonjour 620 Mezz I LLC. This new entity which was a tax partnership and required to have its own Fed Tax ID # did not.

There was a small flash of light and the fraud was exposed. The restructuring of the exchange to equity structure of Bonjour 620 Mezz IV LLC was itself the fraud. This legal restructuring requiring the production and execution of a number of legal documents was completed only to provide "documentation" to support the existence of a second Form 8824 for Bonjour 620 Mezz IV LLC also attached to the return of Bonjour 620 Mezz I LLC and using its Fed Tax ID #. The email of 10/26/2012 from Zev Friedman was stating how the tax returns were going to be filed.

If Bonjour 620 Mezz IV and Bonjour 620 Mezz I are flipped the use of Bonjour 620 Mezz IV LLC as the exchanger for this second Form 8824 is reasonable as in this fictitious structure Bonjour 620 Mezz IV LLC would be a single member LLC disregarded for tax purposes whose sole member would be Bonjour 620 Mezz I LLC.

Other proofs of the "Analysis of the Second Form 8824" proved there was no partnership tax return filed as would have been required for Bonjour 620 Mezz IV LLC.

The forms 8825 "Rental Real Estate Income and Expenses of a Partnership or an S Corporation" for Bonjour 620 Mezz I LLC included 100% of the expense of each replacement property. Specifically, it included 100% of the NYC Real Estate Tax for 2012 for each replacement property. Therefore, there was no partial year Form 8825 or tax return for Bonjour 620 Mezz IV LLC.

Suspiciously the Form 8824 for Bonjour 620 Mezz I LLC did not specifically identify the replacement properties and property type it just says "VARIOUS REAL ESTATE" while the line for the relinquished property identified the property address and type as required.

The ACRIS filings for refinancings with Investors Bank during 2012 fail to record the Loan Agreements which in each documents section on Formation describe the equity structure of the borrower including the mezzanine entity (either Bonjour 620 Mezz I LLC or Bonjour 620 Mezz IV LLC). This was apparently done to not have this information in the public record.

In "Exhibit A" response to the subpoena, which lists "Entities which were related, directly or indirectly, in any way to the Subject Exchanges, the Relinquished Properties and/or indirectly, in any way to the Subject Exchanges,

the Relinquished Properties and/or the Replacement Properties, and how each is so related” excluded Franklin BH LLC and included Bonjour 620 Mezz IV LLC to avoid non-cooperation with the investigation by disclosing Bonjour 620 Mezz IV LLC and not overtly disclose the fraud. The reviewer is supposed to assume the attorneys preparing picked up the wrong acquisition entity for 100 Broad Street.

And then you are struck with the raw beauty of this fraud.

On the federal level in order to be caught an audit would have to choose to audit the exchanges of **“BOTH”** Forms 8824 attached to the complete partnership returns of Bonjour 620 Mezz I LLC. The odds of which are probably very slim as probability of audit in first place is slim.

And if audited by NYS Department of Taxation and Finance or under the NYS False Claims Act what is the taxpayer going to do? The taxpayer will withhold the second Form 8824 for the exchange of Bonjour 620 Mezz IV LLC and see if he is caught. Which is exactly what happened here.

THE TAXPAYER WITHHOLDS THE SECOND FORM 8824 FOR THE EXCHANGE WHICH REUSES 358 BROADWAY AND 100 BROAD STREET AS REPLACEMENT PROPERTY AND INCLUDES RELINQUISHED PROPERTY WHICH FAILS THE EXCHANGE REQUIREMENT AND ARE DISQUALIFIED ASSETS WHICH PRECLUDES NONRECOGNITION. FRAUD.

**This was the “Analysis for the Second Form 8824” which Fox refused to forward to the NYSAG.**

A critical step in any review of tax filings of a taxpayer is making sure you have the complete return.

### **The exchange of 100 Broad LLC**

The taxpayer is the owner of 100 Broad LLC which sold 100 Broad Street to a “related party”, Franklin BH LLC, 100 Broad LLC must now purchase replacement property as part of its own exchange (see Borden ¶13.6[4][d]) to avoid Section 1031(f).

The taxpayer in December 2012 sends a backdated Replacement Property Identification form to Madison Exchange property at 601-611 West 137<sup>th</sup> Street which had to be received within 45 days identification period which ended August 4, 2012 a Saturday with explanation of when the originally learned of the property.

The taxpayer purchases 601 605 609 West 137<sup>th</sup> Street and as the closing approaches the taxpayer has negotiated for Investor’s Bank to refinance the existing mortgages on these 3 replacement properties Zev Friedman is reminded of the requirements of the “Revised Exchange Structure” email of Hyman Kindler. This leads to the taxpayer writing 3 emails to Investors Bank about the need to purchase these



three of the five buildings in first email it is with a loan in the form of a mezzanine loan and then for "all cash" when Investors Bank turns down mezzanine loan option.

The prescription of the "Revised Exchange Structure" is there be no underlying mortgage lien to meet the definition of Code Sec. 1031 for cash because the relinquished property of the fraudulent second Form 8824 of Bonjour 620 Mezz IV LLC is cash for Code Sec. 1031 and all other relinquished property is cash and needs the full FMV of 358 Broadway and 100 Broad Street to complete an exchange for full deferral.

This is not necessary for the exchange of first Form 8824 with relinquished property 55% of 35% TIC interest in 620 Avenue of the Americas because it has mortgage equal to 50% of FMV and therefore this "all cash" "no underlying mortgage" requirement doesn't apply. Keep in mind there is no good exchange here the first Form 8824 exchange of 55% of 35% TIC interest in 620 Avenue of the Americas and the second Form 8824 exchange of disqualified asset firstly the 50% TIC interest in 5 Beekman Street and whatever else the taxpayer bundled in both exchanges are fraud. The taxpayer destroyed any possible exchange with the creation of Bonjour 620 Mezz IV LLC on 5/11/2012.

Back to 137. The taxpayer in order to pay cash obtains the use of a seller LLC not affiliated with the selling entities and has the \$22M in existing mortgages assigned to that entity. That ELCO Master LLC is supposed to borrow \$22M to pay for the assignment but that transaction never happens. Everything happens in escrow. The mortgages are assigned to ELCO Master LLC the sale of the properties closes and escrow is held open over the weekend until Investors Bank funds the new loans at which time the old lender is paid out of escrow. Since the old lender waited for their payoff for the assignments, they billed interest on the loan balance to the assignee which was also paid out of escrow. Even though the taxpayer bought enough cash to closing to close for cash it didn't close that way. And all that I just described is correct, but it is not relevant.

Code Sec. 1031 sees the underlying mortgage debt lien on the property it is not that the property had to be acquired for cash. The property had to be acquired with no underlying mortgage and that did not happen. The fact that the mortgages were held by ELCO Master LLC did not remove the lien it was just shifted. This transaction does not qualify to provide nonrecognition for a required follow-on exchange of 100 Broad LLC and the exchange of related party purchase sale of 100 Broad Street fails.

## **History**

This case was filed in 2014 (101426/14) and therefore has been going on for close to five years for the past two years plus I have been asking that Fox ask the NYSAG to ask the IRS for the tax return of Bonjour 620 Mezz IV LLC and to add to our "Analysis of the document" this request for these tax return as this entity created on 5/11/2012 was a tax partnership having been assigned the membership interests of DOSH Business LP and CBD New York LP in Bonjour 620 Mezz I LLC, the exchanger, for the sale of 55% of 35% TIC interest in 620 Avenue of the Americas. This entity inserted in the equity structure toward the end of the exchange period (12/27/2011- 6/24/2012) meant that purchased replacement properties could not appear on a form of the tax return of Bonjour 620 I LLC as Bonjour 620 Mezz IV LLC was inserted above Bonjour 620 Mezz I LLC and all tax items of an entity appear on that

entity's tax return and are passed only upwards to higher level entities (single members LLCs disregarded for tax purposes and multi-member LLCs tax as partnership).

- **Tax items and forms on which they appear only appear on the return of the relevant entity and on any pass-through entity above that entity. No item or form on an upper level entity can be reported on a return of an entity on a lower level.**

I said the above over two years ago when the structure of the entities was revealed by the first documents which came from Madison Exchange LLC. I drew a simple diagram of the structure and said this did not work for a return of Bonjour 620 Mezz I LLC to Fox. I got no response.

I then started a review of all the organization and other documents to figure out this puzzle.

This led to a long-running battle with Fox first over requesting the returns of Bonjour 620 Mezz IV LLC and then when I determined that Bonjour 620 Mezz IV LLC had no Fed Tax ID # and the Zev Friedman 10/26/2012 email stating the structure was reversed indicated how he filed the returns of this fraud as the return of Bonjour 620 Mezz I LLC with two Form(s) 8824 the first for Bonjour 620 Mezz I LLC and the second for Bonjour 620 Mezz I LLC both using the Fed Tax ID # of Bonjour 620 Mezz I LLC.

**Below is the reasoning that Fox has used continuously to say that my review of the organization structure to determine if the tax returns were filed correctly or that we had been given all returns and all forms was wrong-headed. And is argument that by looking at the structure I would be giving Dayan a defense or relying on "what his lawyers told him"**

**And this reasoning is Fox's reason (or defense) for not sending my "Analysis which shows a fraudulent second Form 8824" to the NYSAG. And that reasoning or defense is invalid.**

"As for the knowledge element of the "structuring" conspiracy you propose, your saying that Dayan had knowledge does not prove that he did (and we have been over this before several times). When Dayan testifies that he just did what his lawyers told him he was allowed to do, what evidence do you plan to use to prove that he did not just rely on what his lawyers told him? None of the facts you mention are that proof. That is why the case is much better served by focusing on the facts that have been presented, where the knowledge case is much clearer."

- First the defense that the taxpayer relied on his lawyers and accountants is "always" used no matter what the facts of the case are. This not a reason to not look at the equity structure. Especially if the structure does not work to validate the returns.
- If there are entities which should have filed returns, but you were not provided those returns or forms under subpoena it is required that you ask or subpoena these additional returns or forms.

If the NYSAG acted on the "Analysis of Documents" and requested additional returns or forms, they would have told us and provided them under the sharing agreement. They did not so they were not requested or received.

- Single Taxpayer Requirement of the Exchange Requirement requires that the reviewer of an exchange look at and analyses the entity structure to see if the exchange satisfies this requirement. Bonjour 620 Mezz I LLC and Bonjour 620 Mezz IV LLC for tax year 2012 are tax partnerships and therefore are required to file partnership tax returns and as tax partnerships are required to have their own Fed Tax ID #s. Both Mezz I and Mezz IV. And therefore, both are taxpayers and they together fail to satisfy the Single Taxpayer Requirement of the Exchange Requirement. (Borden ¶3.2[4]) and chapter 7 "Proximate Business Restructurings". This issue requires that we look at the structure, does it not. If as in this case the taxpayer sets out to deliberately destroy the validity of his exchange, this is an indication of fraud.
- I own and have read Tax-Free Like-Kind Exchanges (2015) Second Edition, Bradley T. Borden which is a full legal text by the expert on Code Sec. 1031 and this whole book is about exchange "structures". What are we doing if we are not analyzing the "exchange structure"?
- The email of Hyman Kindler on 6/5/2012, "Revised Exchange Structure" identifies requirements for the replacement properties of the required follow-on exchange of 100 Broad LLC, (Borden ¶3.6[4][d], "Indirect Transfers to Related Parties") The requirements that he identifies, such as "no underlying debt" which morphs into "all cash" when the taxpayer wants to have existing mortgage debt assigned to new lender to avoid mortgage tax and the new lender, Investor's Bank refuses to provide a mezzanine loan (cash under Code Sec. 1031) and the relinquished property of the exchange of Bonjour 620 Mezz I LLC, sale of 55% of 35% TIC interest in 620 Avenue of the Americas has 50% underlying mortgage debt and does not generate this requirement. How are we not looking at "structure"? This in particular is one of many direct indications of fraud.
- There are three emails of the CFO Zev Friedman, who is the agent of the taxpayer with regard to acts of fraud performed on behalf of the taxpayer, taking responsibility for "structure" issues relating the purchase of replacement properties, 525 Clinton Avenue, 100 Broad Street and the hierarchy of Bonjour 620 Mezz I LLC and Bonjour 620 Mezz IV LLC which are "incorrect" or part of a deceptive structure. How are we not looking at and analyzing "structure". These are direct or indirect indications of fraud.
- The Assignment Agreements for Replacement Property for 358 Broadway and 100 Broad Street are backdated. These agreements assign the purchase agreements to acquire these properties to the QI so that the properties may be "Direct-Deeding from the Third-Party Seller to the Exchanger or his disregarded for tax purposes acquisition entity, LLC. This is all about structure and backdated exchange documents are the typical indication of fraud. Fox has so far refused to respond to the proof that the Assignment Agreement for Replacement Property for 100 Broad Street was backdated by combining a revised first page with an earlier executed original second signature page. This indicates fraud which maybe is what he is not looking to find.

**Fox's defense for not sending "Analysis which shows a fraudulent second Form 8824" is not logical, has no basis. He is using the possibility of a "conspiracy" to excuse turning a "blind" eye to the facts and ignoring the many indications of a major pure fraud and refusing to advise the NYSAG of my findings.**

**The question is why obstruct the flow of information. The role granted in this case to the relator and the attorney for the relator was to analyze the documents received by the NYSAG under subpoena. Fox's role as attorney for the relator is not to filter information and analysis before it is seen by the NYSAG regardless if he believes the NYSAG want to see it.**

**Especially when the pattern of facts indicates the taxpayer and his advisors (with the taxpayer expressly taking responsibility through the emails of his agent, Zev Friedman CFO) constructed entities structure with the only apparent purpose to commit large dollar tax fraud by filing a second Form 8824 for Bonjour 620 Mezz IV LLC reusing the replacement properties 358 Broadway and 100 Broad Street for an exchange with disqualified assets as relinquished property using the Fed Tax ID # of Bonjour 620 Mezz I LLC.**

While the above may sound quite complex, the answer is very simple and necessary:

NYSAG can request the NYS partnership tax return of Bonjour 620 Mezz IV LLC to see if there is a return if there is it will have Fed Tax ID # issued in its name. Based upon what we know from analysis of the structure of the transactions this would be surprising

There will likely be no return because this fraud is predicated on Bonjour 620 Mezz IV LLC not having a Fed Tax ID # and not being subject to any search. Part of the beauty of it.

The above search turns up no result next is ask the taxpayer for any additional Form 8824 filed with the return of Bonjour 620 Mezz I LLC and the original Form 8824. If provided request the identification of the replacement property and the relinquished property for this exchange because the taxpayer did not specifically identify the replacement property on the original Form 8824 as required.

If the proceeds of the sale of 50% TIC interest in 5 Beekman Street is identified as a relinquished property, the gain on this transaction will be taxable as the taxpayer took "actual receipt" of the proceeds of \$21M as evidenced by the JPMorgan Bank statement for March of 2012. The transaction has \$11M of ordinary income from cancellation of debt from a review of ACRIS NYC records.

The emails and worksheet provided to Valley National Bank in March/April 2012 to investigate financing show intent of the taxpayer to consider these funds 1031 funds. They were used to acquire 358 Broadway as relinquished property at minimum.

In 2015 my daughter had a psychotic episode which led to her being committed and hospitalized in Westchester County, NY and Baltimore MD hospitals five time for a total of 6 months and receiving a diagnosis of schizophrenia. She has chosen to stay and live in Baltimore. In 2018 her cohabitants of artist loft space in Baltimore had her evicted, after bullying her over a period of time, based on her

condition. I support myself and my daughter with my Social Security. This episode and the fact that my daughter was basically starving herself until she recently got Food Stamps put me under a great deal of stress.

This stress and the non-rational refusal of Fox to forward my **“Analysis which shows a fraudulent second Form 8824”** to the NYSAG led to my email issue with including Preet Bharara and Zephyr Teachout on an email which included such analysis. It was not rational, I had just reached the end of the road and didn’t see any options. I was well aware I was precluded from contacting the NYSAG directly while represented and Fox specifically warned me about reaching out the Court saying he would withdraw from the case if I contacted the Court when I suggested that as an option.

In essence he was not going to send my analysis to the NYSAG and there was nothing that I could do about it. The NYSAG would resolve and settle the case and I would be given the opportunity to accept that settlement period. The NYSAG would never ask the NYS Department of Taxation for the return of Bonjour 620 Mezz IV LLC and the taxpayer for the second Form 8824 of the return of Bonjour 620 Mezz I LLC.

My first False Claims Act resulted in a \$1.1M recovery for NYS but was limited in number of ways and should have been a recovery of at least 10 times that amount. Also, in that case the NYSAG asked permission to disclose my identity to the taxpayer. I initially granted permission to be helpful and then thought better of it based on the taxpayer association with organized crime and withdrew permission. Dan Smirlock Esq. disclosed my identity anyway. My attorney at the time was William Comiskey Esq. former deputy commissioner for tax enforcement at the New York State Department of Taxation and Finance.

At this point, August 2018, Fox is going to file a motion to withdraw as my attorney with prejudice and the NYSAG informs him that they are revoking the sharing agreement. Fox makes the appropriate amount of noise that he is destroying all files, and anything derived from them. I send back the flash drives and start deleting files. Then I ask Fox what this does anything derived from them mean in English and he won’t say just says “you know what it means”. Based on that and the fact he won’t be more specific I stop because I smell a rat. Was this all a setup to have me become extremely stressed and break the seal so the sharing agreement can be revoked and I can be made destroy my case as well as the shared documents?

Then the game turns into I must sign an affidavit that I have destroyed what Fox won’t describe in English. Then as a continuance of this what I believe will be a beat-down I am informed the NYSAG wants to have a phone call with me and Fox. At the time I believe it is going to be some form of entrapment and I decline and Fox files motion to withdraw. In early December I get a Google Alert that Dayan, the taxpayer, has sold a development site at 1988 Second Avenue for \$28.5M which is what he paid for the site in 2015 short \$50K (\$28.55M) (The development site is almost full block on Second Avenue between stops on the Second Avenue Subway extension). This is a reasonable indication that the property was dumped to get cash to pay off liability to NYS. A little research and it shows the taxpayer printed brochure and put the sold property on the market in February 2018. This would coincide with the NYSAG getting back to case in late fall 2018 and coming to a settlement in early 2018 and the taxpayer being given basically a year to sell property at not a fire sale. The settlement if there is

one will obviously be for not the fraud, I have described and proved. They maybe had to manage me to get to the finish line.

The phone call with the NYSAG may have been to inform me that a possible settlement had been achieved with the taxpayer and to shut up and wait a little longer and of course accept whatever it was regardless. Fox's motion to withdraw becomes an Order to Show Cause. I answer the Order to Show Cause by mail to the Court and email to the NYSAG and Fox. I am reviewing it on the last day to answer and realize I must bring to specific room at 620 Centre Street. I bring answer to 60 Centre and appropriate room, but they won't take it and send me to the Court in 80 Centre Street next door and it is closed everyone has gone home. I go back to 80 Centre Street to same room and explain that the order specified this address and this room and after back and forth they take it and stamp a copy of front page.

The second day after the delivery of my answer to the Order to Show Cause the foreclosure Court Judge signs the final order of my foreclosure and my house goes to the receiver to sell on the steps of the court house in White Plains. Which sale is now set for a week from tomorrow on January 15, 2019. Was my foreclosure being held on request of the NYSAG and then that courtesy hold released?

The Court has not ruled on the Order to Show Cause but on January 2, 2019 the Judge asked the new NYSAG for her opinion on whether she believed under NYS False Claims Act would my case be dismissed without prejudice because I would at that point be unrepresented. I have been aware from first reading the NYS False Claims Act before filing my first case that I was required to be represented. Therefore, I failed to respond to repeated implorations of Fox that I sign a release. This went to as far as "reverse psychology" with Fox asking why I so "desperately" wanted him to remain as counsel. Fox we can assume as former head of the Taxpayer's Protection Bureau may have been aware of this effect of his withdrawal. He withdraws with prejudice and gets paid when there is a settlement and my case is dismissed without prejudice and I get nothing and lose my home and am not able to support my daughter.

At a point along this path I ask Fox why did the NYSAG revoke the Sharing Agreement when the seal is in the providence of the Court and we had not heard anything in that regard from the Court.

On that email thread was email from NYSAG saying that the sharing agreement was not revoked for any issues regarding the seal. Therefore, if it is not an issue with the seal it would have to be something I said in that email as they were coincident.

So, after a little analysis I had to conclude that the postscript to my email which would have been read by Preet Bharara and Zephyr Teachout did not please the NYSAG. See below:

*"I worked in the commercial real estate industry for 35 years. The required follow-on exchange of 100 Broad Street with the purchase of 601 605 609 West 137th Street and the cooperation of Gary Barnett and Extell the seller giving use of his administrative LLC, ELCO Master LLC for assignment of \$22M in mortgages to keep them alive and avoid NYS mortgage recording tax and that the entire transaction was a Code Sec. 1031 exchange which hinged on the taxpayer paying cash would have led to a gratuity from Charles Dayan to Gary Barnett.*

*This gratuity would easily have been the \$100,000 that Gary Barnett entities, ELCO Master LLC and 134 West 58th Street LLC donated to Andrew Cuomo less than a month after the closing, January 2013. This is not a legal issue for NYS, **but it is not a nice optic if funds from serious tax fraud end up possibly affecting tax breaks for NYC developers by extending 421A to five luxury buildings in Manhattan.***

The above raises two questions. The first is the statement a reasonable of opinion and protected "First Amendment" protected speech and second would the NYSAG conclude this was in some way based on the shared documents and be some sort of infringement of the requirements of the sharing agreement.

The answer to the first question is that it is a reasonable statement in that who wouldn't see this connection as a bad optic. And was it a reasonable statement is confirmed with my unreferenced source which was the last paragraph of the Purchase Agreement Memorandum.

Charitable Contribution: At the Closing, Charles Dayan will contribute \$100,000 to a charity of his choice and \$100,000 to American Friends of Ramot Torah Schools. The charitable contributions will not be a credit to the purchase price.

I wrote the above without referencing the document at the moment and charitable contribution became gratuity. Barnett could have redirected his contribution to the campaign and as compensation for providing ELCO Master LLC to take assignment of the mortgages of 601 605 609 taken control of Dayan's \$100,000 and donated it to the NYS Democratic Party as detailed in relevant newspaper articles.

I did not say this was in any way wrongdoing I said it was a "bad optic". It is not a connection that the recipient entities would have knowledge of and therefore not an issue, it would just be a "bad optic" to repeat myself. And could this before I wrote this email be a issue holding back the pursuit of my NYS False Claims Case, I will never know.

And with regard to the provenance of this document it is from the lawsuit of Georgia Malone against Barnett and Extell for brokerage commission Index number 158913/2012 which is where I first found it and it is part of the public record. This document I then later also found in the share documents.

The payments form Extell are nevertheless examples of the "LLC loophole" which has been criticized by the current administration, it is on the agenda for elimination in the current session of the NYS Legislature a campaign financing reform.

If you know the documents as well as I do it is possible to make the entire case of the exchanges of the 55% sale of 35% TIC interest of 620 Mezz I LLC and the creation and existence of Bonjour 620 Mezz IV LLC and its purpose purely from the public record. Such a documented case is my current project. You will notice the Closing: "No later than 12/18/2012" is 180 days after the sale of 100 Broad Street.





**Deal Memorandum**

To: Charles Dayan, Zev Friedman  
From: Dov Hertz  
Re: Sale of 137<sup>th</sup> Street properties  
Date: October 17, 2012

---

**Parcels:** 601, 605, 607, 609 & 611 West 137<sup>th</sup> Street, New York, NY

**Sellers:** Extell 601 West 137<sup>th</sup> Street LLC, Extell 605 West 137<sup>th</sup> Street LLC, Extell 607 West 137<sup>th</sup> Street LLC, Extell 609 West 137<sup>th</sup> Street LLC, Extell 611 West 137<sup>th</sup> Street LLC

**Attorney:** Jennifer Schwartz  
Extell Development Company  
  
Phone: (212) 712-6011  
E-mail: jschwartz@extelldev.com

**Purchaser:** Bonjour Capital (entity/ies to be provided)

**Attorney:** To be provided

**Purchase Price:** \$66,000,000

**Deposit:** \$6,600,000 (10%)

**Due Diligence Period:** None. All due diligence to be completed during the contract negotiation period.

**Closing:** No later than 12/18/2012

**Broker:** Georgia Malone, to be paid by Sellers under a separate agreement. Purchaser to indemnify Sellers against any claims from any other brokers.

**Mortgage:** Purchaser to receive 100% of any mortgage recording tax savings from an assignment or assumption of the existing NYCB loan. With lender's approval, Purchaser will have the option to assume the existing NYCB loan, in which case Sellers will pay any assumption fees due to the lender.

**Charitable Contribution:** At the Closing, Charles Dayan will contribute \$100,000 to a charity of his choice and \$100,000 to American Friends of Ramot Torah Schools. The charitable contributions will not be a credit to the purchase price.

**HELP**

[Click help for additional instructions]  
Selecting a help option will open new window

**Current Search Criteria:**

Name: ELCO MASTER LLC  
Date: To Current Date  
Party Type: All Parties  
Borough/County: All Boroughs/Counties  
Document Class: All Document Classes

# Search Results By Party Name

Records 1 - 6 << previous next >> Max Rows 10 ▾														[Search Options.] [New Name Search] [Edit Current Search]			[Print Index]
View		Party Type/Other	Party Name	Borough	Block	Lot	Reel//Pg/File	CRFN	Partial	Doc Date	Recorded/Filed	Document Type	Pages	Corrected/Remarks	Doc Amount		
DET	IMG	1	ELCO MASTER LLC	MANHATTAN	2086	16		2013000088604	ENTIRE LOT	12/21/2012	3/4/2013 12:04:09 PM	ASSIGNMENT, MORTGAGE	12		0		
DET	IMG	2	ELCO MASTER LLC	MANHATTAN	2086	16		2013000088603	ENTIRE LOT	12/20/2012	3/4/2013 12:04:08 PM	ASSIGNMENT, MORTGAGE	11		0		
DET	IMG	1	ELCO MASTER LLC	MANHATTAN	2086	24		2013000088602	ENTIRE LOT	12/21/2012	3/4/2013 12:04:07 PM	ASSIGNMENT, MORTGAGE	12		0		
DET	IMG	2	ELCO MASTER LLC	MANHATTAN	2086	24		2013000088601	ENTIRE LOT	12/20/2012	3/4/2013 12:04:06 PM	ASSIGNMENT, MORTGAGE	11		0		
DET	IMG	1	ELCO MASTER LLC	MANHATTAN	2086	29		2013000088600	ENTIRE LOT	12/21/2012	3/4/2013 12:04:05 PM	ASSIGNMENT, MORTGAGE	12		0		
DET	IMG	2	ELCO MASTER LLC	MANHATTAN	2086	29		2013000088599	ENTIRE LOT	12/20/2012	3/4/2013 12:04:04 PM	ASSIGNMENT, MORTGAGE	11		0		

DOCUMENT ID:  
2018121900331002

Main Options [See](#)

8 of 13 72%

**CITY REGISTER**

FOR CITY USE ONLY  
CL. Expiry Code \_\_\_\_\_ CL. Date Deed Recorded **DEC 5 2018**  
CL. Book \_\_\_\_\_ CL. Page \_\_\_\_\_  
CL. OR \_\_\_\_\_  
CL. ORFM \_\_\_\_\_

**REAL PROPERTY TRANSFER REPORT**  
STATE OF NEW YORK  
STATE BOARD OF REAL PROPERTY SERVICES  
**RP - 5217NYC**

**PROPERTY INFORMATION**

1. Property Location **155E 2 AVENUE** **MANHATTAN** **10028**  
2. Buyer Name **SECOND AND 105 LLC**  
3. Tax ID **155E 2 AVENUE** **10028**  
4. Indicate the number of Assessments. Full parcels transferred on the deed **5** # of Parcels **OR** ☐ Part of a Parcel  
5. Eased Property **X** **OR** **OR**  
6. Seller Name **105 SECOND AVENUE HOLDING LLC**  
7. Check the box for which most accurately describes the use of the property at the time of sale:  
A ☐ One Family Residential C ☐ Residential Vacant Land 8 ☒ Commercial G ☐ Subdivided / Awaiting 1 ☐ Industrial  
D ☐ Two or More Family Residential E ☐ Non-Residential Vacant Land F ☐ Apartment H ☐ Community Service 2 ☐ Public Service  
**SALE INFORMATION**  
10. Date of Deed Date **12 / 12 / 2018**  
11. Date of Sale / Transfer **12 / 12 / 2018**  
12. Full Sale Price \$ **1,950,000.00**  
13. Indicate the value of personal property included in the sale  
14. Check one or more of these conditions as applicable to this sale:  
A ☐ Sale between Relatives or Former Relatives  
B ☐ Sale between Related Companies or Partners in Business  
C ☐ One of the Buyers is also a Seller  
D ☐ Buyer or Seller is Government Agency or Lending Institution  
E ☐ Deed Type not Primarily a Bargain and Sale (Specify Below)  
F ☐ Sale of Fractional or Less Than Fee Interest (Specify Below)  
G ☐ Significant Change in Property between Transferor and Sale Date  
H ☐ Sale of Business is Included in Sale Price  
I ☐ Other Unusual Factors Affecting Sale Price (Specify Below)  
J ☒ None  
**ASSESSMENT INFORMATION - Data should reflect the current Assessment (see page 10)**  
15. Billing Class **V 1** 16. Total Assessed Value (all of parcels to transfer) **1,173,600**  
17. Borough, Block and Lot / Part Description (if more than three, attach sheet with additional description)  
**MANHATTAN 1624 3** **MANHATTAN 1624 4** **MANHATTAN 1624 5B**

Where does the faith in the fairness of the tax system reside if a blatant tax fraud that is very deceptive for large money when found and explained is ignored. After the explication of the fraud of the second Form 8824 I requested use of shared documents for a new filing with the IRS explaining the pure fraud which the only way is this now old transaction would be looked at. No statute of limitation for fraud.

Fox and I filed new IRS case end of 2016. Fox refused to file new case based on fraud as now described and my request to file was denied by the NYSAG. I would confirmation that the denial still stands and an explanation for the denial.

And last but not least my foreclosure sale of my house should be postponed until this case is resolved whether or not it was previously held.

James Walsh

It would be nice if we all go back to our corners and agree to play nice and all open their eyes to the truth of this case. The "structure" is the fraud, that structure not how exchange was filed and doesn't work anyway. See the "trick". I did not engage in this work on behalf of the State of New York to arrive a place where I conflict with New York State.

Code Sec. 1031 is abused because it can't be audited. The IRS is unfunded, and taxpayers know they will not be caught and if caught the actual fraud will not be prosecuted. I have another case filed with the IRS and the SEC which mirrors the main reason that Zamir failed which was not pursued. Read attached Bordon article. The gain that is untaxed in this new case is \$300M. Simple issue if the dropdown happens on the same day the taxpayer can not become the tax owner (benefits and burdens of ownership) of the real estate and can't complete an exchange which provides nonrecognition. Partnership organized to own property because best vehicle to handle relationship of partners who are going to redevelop major property but market changes and sell as the bought it. In order to obtain nonrecognition of gain the partners must drop down to TIC undivided interest in the property. The banks will not let happen because it affects the lien on the collateral, the building. No problem dropping to deed on the same day as sale to the new owner closes because the drop deed is dated as the same day and to the lenders nothing happened. But does not give Code Sec. 1031 nonrecognition because the taxpayer that drops to a TIC Deed and immediately transfers it to the buyer of the property does not become the tax owner. Read Borden article and count how many times he says, "must be the tax owner". I offered case to Fox as a NYS False Claims Act Case and he turned it down not because premise is not valid. This is tax evasion and the taxpayer and advisor know it.

## NOTICE OF SALE SUPREME COURT WESTCHESTER COUNTY

M&amp;T BANK, Plaintiff against

JAMES N. WALSH AKA JAMES WALSH, et al Defendants

Attorney for Plaintiff(s) Schlier, Knapp, Lefkowitz & Hertz, LLP, 200 John James Audubon Parkway, Suite 202, Amherst, NY 14228 Attorney (s) for Plaintiff (s).

Pursuant to a Judgment of Foreclosure and Sale entered November 5, 2018, I will sell at public auction to the highest bidder at Lobby of the Westchester County Courthouse, 111 Dr. Martin Luther King Jr. Blvd., White Plains, NY 10601 on January 15, 2019 at 11:15 AM. Premises known as 25 Highland Terrace, Pleasantville, New York 10570. Sec 106.9 AKA 5 Block 4 AKA 13A Lot 63 AKA 1. All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Mt. Pleasant, County of Westchester and State of New York. Approximate Amount of Judgment is \$298,945.26 plus interest and costs. Premises will be sold subject to provisions of filed Judgment Index No 51552/2017. For sale information, please visit [www.Auction.com](http://www.Auction.com) or call (800) 280-2832.

John M. Crane II, Esq., Referee

16-13719

NYSCEF Notification: Westchester - Real Property - Mortgage Foreclosure - Residential - Notification from Court <JUDGMENT OF FORECLOSURE AND SALE> 51552/2017 (M&T BANK, - v. - JAMES N. WALSH et al) [View](#)

efile@nyscourts.gov

to: nysapp, Electronicfilings, lbames, efile, nysuska, me

Mon, Nov 5, 2018, 11:49 AM



## Westchester County Supreme Court

## Notification of Filing by Court 11/05/2018

Please retain this notification for your records.

The NYSCEF web site has received documents from the filing user, Bridget Degnan, for the following case/cases:

## Case Information

Index #: 51552/2017

Short Caption: M&amp;T BANK, - v. - JAMES N. WALSH et al

Assigned Case Judge: Mary H Smith

## Documents Filed (To view a document, click the document type link)

Doc #	Document	Filed Date
42	<a href="#">JUDGMENT OF FORECLOSURE AND SALE</a>	11/05/2018

## Order and Judgment Filings

Please note that a document referred to in this message is an order or judgment that has been uploaded to NYSCEF. You may access the order/judgment by clicking the document type link (above). If a file stamp does not appear on the document, the order/judgment will remain in pending status until entered by the County Clerk. You may continue to access the document by this link to verify that the file stamp has been affixed or visit the list of documents to reference the order or judgment.

Unless otherwise directed by the court, receipt of this notification does not constitute service of the referenced order/judgment upon any party. For e-filing rules regarding service of an order/judgment with notice of entry, see [202.5-b\(1\)\(2\)](#).

## E-mail Notifications Sent

Name	Email Address
RYAN E RULUSKA	<a href="mailto:ruluska@schlierknapp.com">ruluska@schlierknapp.com</a>
James N Walsh	<a href="mailto:walshjcrna@gmail.com">walshjcrna@gmail.com</a>

## No E-mail Service Notifications Sent

(NYSCEF has no record of opt out or participation recorded for the parties listed below)

Uniform Rules §§ 202.5-b and 202.5-bb require hard copy service upon opted-out and non-participating parties.

Party Name	Role
THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	Defendant/Respondent
NANCY WALSH	Defendant/Respondent
CITIBANK NA	Defendant/Respondent
HELENE M. GREENBERG	Defendant/Respondent

THIS E-MAIL IS INTENDED ONLY FOR THE USE OF THE NAMED ADDRESSEE(S) AND FOR THE PURPOSES OF THE NEW YORK STATE COURTS ELECTRONIC FILING SYSTEM. IF YOU ARE NEITHER THE INTENDED RECIPIENT NOR A PERSON DESIGNATED TO RECEIVE MESSAGES ON BEHALF OF THE INTENDED RECIPIENT, PLEASE NOTIFY THE SENDER IMMEDIATELY. THANK YOU.

Timothy C. Idoni - <http://www.westchesterclerk.com>Email: [efile@westchesterclerk.com](mailto:efile@westchesterclerk.com)

---

**From:** Zev Friedman  
**Sent:** Friday, October 26, 2012 11:09 AM  
**To:** Rozsansky, Esther [REDACTED]  
**Subject:** FW: 100 Broad

Please confirm my position below.

---

**From:** Zev Friedman  
**Sent:** Friday, October 26, 2012 9:45 AM  
**To:** 'Rozsansky, Esther'  
**Subject:** RE: 100 Broad

Bonjour 620 IV LLC is wholly owned by Bonjour 620 I LLC. As such I will continue using Bonjour 620 I LLC as the purchaser of the replacement property.

---

**From:** Rozsansky, Esther [mailto:[REDACTED]]  
**Sent:** Friday, October 26, 2012 9:39 AM  
**To:** Zev Friedman  
**Subject:** FW: 100 Broad

See below regarding LLC structure for 100 Broad LLC.

Thank you.

---

**From:** Medinets, David  
**Sent:** Thursday, June 21, 2012 2:18 PM  
**To:** Rozsansky, Esther; Rabinowitz, Elana  
**Subject:** FW: 100 Broad

Please save this email to the file.

---

**From:** Zev Friedman [mailto:[REDACTED]]  
**Sent:** Thursday, June 21, 2012 12:08 PM  
**To:** Medinets, David; Rozsansky, Esther  
**Cc:** HKindler [REDACTED]  
**Subject:** 100 Broad

Please note that we are going to take title for 100 Broad Street in the name of Franklin BH LLC a single member LLC and disregarded entity for tax purpose which is wholly owned by Bonjour 620 Mezz IV LLC.

Notice to Recipients: This email and attached files (if any) contain privileged and confidential information intended solely for use by the sender and addressee(s). If you receive this transmission in error please notify the sender immediately and remove the email from your system. Unauthorized use of this information is strictly prohibited.



1. Property Location: 1985 2 AVENUE MANHATTAN 10029

2. Buyer Name: SECOND AND 93 LLC

3. Tax Billing Address: INCLUDE WHERE FUTURE TAX BILLS ARE TO BE SENT

4. Indicate the number of Assessments Full parcels transferred on the deed: 5

5. Deed Property Size: 0.00 ACRES

6. Seller Name: 1985 SECOND AVENUE HOLDING LLC

7. Check the box to best describe the use of the property at the time of sale:

A ☐ One Family Residential C ☐ Residential Mixed Land G ☐ Environmental/Agricultural I ☐ Industrial

B ☐ 2 or 3 Family Residential D ☐ Non-Residential Mixed Land H ☐ Community Service J ☐ Public Service

K ☐ Other

L ☐ Other

M ☐ Other

N ☐ Other

O ☐ Other

P ☐ Other

Q ☐ Other

R ☐ Other

S ☐ Other

T ☐ Other

U ☐ Other

V ☐ Other

W ☐ Other

X ☐ Other

Y ☐ Other

Z ☐ Other

AA ☐ Planning Board Approval - N/A for NYC

AB ☐ Agricultural District Notice - N/A for NYC

Check the boxes below as they apply:

1. Demolition Type is Construction

2. Item Construction on Vacant Land

**10. Date Contract Date**

9 / 17 / 2018  
Mar      Apr      May

**11. Date of Sale / Transfer**

12 / 12 / 2018  
Mar      Apr      May

**12. Full Sale Price \$**

1,965,000.00

(Full Sale Price is the total amount paid for the property including personal property.  
This payment may be in the form of cash, other property or goods, or the assumption of  
mortgages or other obligations.) Please round to the nearest whole dollar amount.

**13. Include the value of personal property included in the sale**

\_\_\_\_\_

A \_\_\_\_\_  
B \_\_\_\_\_  
C \_\_\_\_\_  
D \_\_\_\_\_  
E \_\_\_\_\_  
F \_\_\_\_\_  
G \_\_\_\_\_  
H \_\_\_\_\_  
I \_\_\_\_\_  
J ☒ None

[illegible]



SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: PART 55

-----X  
Anonymous,

Plaintiff(s),

-against-

**ORDER**

Index No. 101426/2014

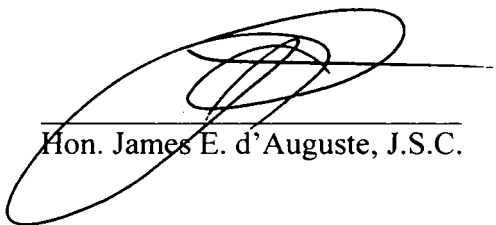
Anonymous,

Defendant(s).  
-----X

**Hon. James E. d'Auguste**

The Court has pending a motion by relator's counsel to be relieved as attorney of record in this matter. The Attorney General is invited to submit her view on the issue of whether, given the mandate of the New York False Claims Act that a relator may only prosecute an action in a self-represented capacity if that individual is an attorney, the instant qui tam action is required to be dismissed without prejudice upon the discharge of relator's counsel. If the Attorney General chooses to make such a submission, she should do so on or before February 28, 2019.

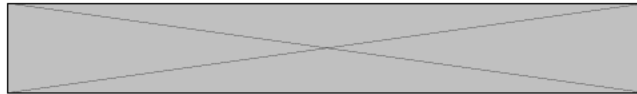
Dated: January 2, 2019

  
\_\_\_\_\_  
Hon. James E. d'Auguste, J.S.C.

**To:** [REDACTED] James@ag.ny.gov]  
**From:** City & State[editor@cityandstatenyc.com]  
**Sent:** Tue 4/23/2019 6:54:11 AM (UTC-04:00)  
**Subject:** First Read

*The must-read roundup of the top New York political news, editorials, and schedules.*

Email not displaying correctly?  
[View it in your browser.](#)



**TUESDAY, APRIL 23, 2019**

**WEATHER:** Sunny in New York City and mostly sunny in Albany, with scattered showers in Buffalo. New York City, high 73; Albany, high 76; Buffalo, high 62.

#### **FROM CITY & STATE**

\* New York City Mayor Bill de Blasio is no stranger to fundraising scandals, even if the allegations never fully stick, and last week saw fresh headlines relating to some of them. Here is a rundown of [the times de Blasio's fundraising has gotten him into hot water](#).

\* Nearly every Democratic state senator and about 60 members of the Assembly have signed on to sponsor [the Climate and Community Protection Act](#), but supporters are confronting concerns from business groups and Gov. Andrew Cuomo.

\* New York is developing solar and wind power in order to phase out its use of fossil fuels in the coming decades. But the state also must overhaul how the building, transportation and manufacturing sectors impact the climate, [according to NYSERDA's Alicia Barton](#).

#### **NEW THIS MORNING:**

\* The New York City Council voted to approve a nickel fee for each paper carryout bag a customer uses at retail and grocery stores to accompany the statewide plastic bag ban that goes into effect in March 2020, [The New York Times reports](#).

\* New Yorkers would get to rank contenders in order of preference on their ballots under an election overhaul proposed by the 2019 Charter Revision Commission, which is also proposing expanding the power of the Public Advocate and revamping the policing of cops, [The City reports](#).

\* The L train "slowdown" is just days away, but New York City has still not released its full plan to speed up bus service and handle a surge of traffic along 14th Street during construction, and it remains unclear exactly when that information will be released, [the Daily News reports](#).

\* Sexual harassment complaints against municipal workers filed with the New York City Commission on Human Rights are often taking years to investigate, with eight ongoing cases that were filed more than two years ago, [The City reports](#).

\* De Blasio vowed to put an end to the city's problem-plagued internal wireless network, which crashed earlier this month and has morphed into a nearly \$900 million money pit, replacing network operator Northrop Grumman with Verizon, [the New York Post reports](#).

\* More news below ...

\*\*\*\*\*

Jackson Lewis Albany is home to a distinctive team of government relations professionals who offer clients unique insight into the administrative, regulatory, legislative and budgetary processes in NYS and NYC government. No matter what your business, organizations of all sizes are impacted in various ways by governmental regulatory & legislative developments. Our team provides sophisticated counsel, informed by decades of experience working with government. [Click here](#) to learn about our depth and breadth of scope.

\*\*\*\*\*

\* The state Department of Transportation has named the "community grid" its preferred choice to address the crumbling Interstate 81 in Syracuse, one again rejecting the idea of building a tunnel to replace the highway, [the Syracuse Post-Standard reports](#).

\* New York City is seeking to expand a dockless bike-share program to encompass all of Staten Island, with city officials saying they would prefer more than one firm participate in the program, which is expected to begin this summer, [The Wall Street Journal reports](#).

\* An alliance of 11 environmental groups lauded Gov. Andrew Cuomo for "nation-leading clean energy goals," but criticized what has been a slow siting process for large-scale solar and wind projects, urging the state to "eliminate delays," [The Buffalo News reports](#).

\* Democrat Peter Reese is slated to announce his primary challenge to Erie County Executive Mark Poloncarz, but Board of Elections officials says he may not even qualify for the ballot, [The Buffalo News reports](#).

\* Netflix has released a trailer for its new documentary Knock Down the House, which charts Rep. Alexandria Ocasio-Cortez's campaign to victory last June and the congressional campaigns of three other women in the U.S., [Gannett Albany writes](#).

\*\*\*\*\*

The building industry created over \$60 billion in economic activity last year, generating more than 250,000 jobs across New York City, with approximately 75% of jobs going to residents of the 5 boroughs. From schools, hospitals, parks, and much-needed housing to the critical infrastructure projects that keep New Yorkers on the move, the building industry helps our city thrive. [Learn more](#)

about how the industry strives to build a better New York for all. [Learn more here.](#)

\*\*\*\*\*

## EDITORIAL PAGES:

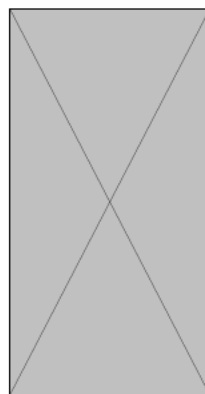
\* Cuomo poses a series of questions about the nation's current political climate in an [op-ed in The Washington Post](#), beginning by asking whether President Donald Trump caused a degradation in the nation's political system, or if it preceded him.

\* Students, families and alumni of New York City's specialized high schools just got new allies in their fight to stop de Blasio from destroying those elite schools with the launch of the Education Equity Campaign, [the Post writes](#).

\* In yet another nod to the newly Democratic-controlled Assembly and state Senate, it seems the "safe staffing" bill for nurses that did not get passed will get a good hard look, and it should look in other directions, [The Buffalo News writes](#).

\*\*\*\*\*

The NYCHA heating crisis has gone on for too long. Investing in natural gas infrastructure, including the Northeast Supply Enhancement project (NESE) is part of the solution to our region's energy crisis. Without NESE, the NYCHA heating crisis will just worsen. Learn what the heating crisis means to Melanie, a NYCHA resident [here](#).



\*\*\*\*\*

## NATIONAL POLITICS:

\* Trump sued his own accounting firm and the Democratic chairman of the House Oversight Committee at the same time – trying an unusual tactic to stop the firm from giving the committee details about Trump's past financial dealings, [The Washington Post reports](#).

\* House Judiciary Chairman Jerry Nadler subpoenaed former White House counsel Don McGahn as part of a his panel's obstruction investigation into Trump, demanding that McGahn testify in public on May 21, [Politico reports](#).

\* In tightening sanctions on Iran, the Trump administration moved to isolate Tehran economically and undercut its power across the Middle East, although the clampdown has complicated relations with China, [the Times reports](#).

\*\*\*\*\*

The General Contractors Association is hosting a networking event on May 2 for **heavy civil DBE, MWBE and SDVOB contractors**. Meet the prime contractors and infrastructure agencies who build NY's roads, bridges, tunnels, airports, schools, parks, water and transit systems. This opportunity will put heavy civil DBEs, MWBEs and SDVOBs directly in touch with industry decision makers, estimators and procurement specialists who are looking for qualified heavy civil subcontractors to help them build some of the largest and most exciting infrastructure projects in the region. [Register here](#).

\*\*\*\*\*

**HAPPY BIRTHDAY:** To **Lisa Wager**, director of community and government relations at the Fashion Institute of Technology ... to **Andrew Brent**, head of communications for Brookfield Properties ... to **David Hernandez**, director of constituent affairs for New York City Councilwoman Debi Rose ... to state Sen. **Mike Gianaris** ... and to **Jeffrey LeFrancois**, director of operations and community affairs for the Meatpacking Improvement Association.

**MOVING ON:** New York Post political editor and former City Hall bureau chief **David Seifman** is [retiring](#) at the end of the month after 45 years.

*Have a birthday, career change, birth or death to announce? Email us: [editor@cityandstateny.com](mailto:editor@cityandstateny.com).*

\*\*\*\*\*

**No animal should be tortured for fur products.** That is why Speaker Corey Johnson and several NYC Council Members are proposing to ban the sale of fur in NYC. Not only are coyotes, bobcats, foxes, rabbits and others captured and killed for clothing, but dog and cat fur are also deceptively sold by fashion companies. PETA and NYCLASS support the fur ban because both animals and consumers deserve protection. [Help PASS the ban on fur sales today](#).  
#FurFreeNYC

\*\*\*\*\*

## CITY & STATE JOBS

To view all jobs, please visit [jobs.cityandstateny.com](http://jobs.cityandstateny.com). To advertise your employment opportunities with City & State, email [Jobs@cityandstateny.com](mailto:Jobs@cityandstateny.com) or call 212-268-0442 ext. 2026



### **Communications Manager, NYS LECET**

NYS LECET, part of the New York State Laborers Tri-Funds representing more than 40,000 union members across New York State, has pioneered the concept of labor-management cooperation as the most productive way to expand work opportunities and market share for Laborers and their affiliated contractors. Two priorities for NYS LECET are promoting job opportunities for our members and contractors and rigorous enforcement of prevailing wage and other labor protection laws. The full-time **Communications Manager** is responsible for all internal and external communications for NYS LECET. The ability to manage multiple priorities and tasks is vital to this position. As the communications manager for the organization, excellent writing and verbal skills are required. Apply [here](#).

### **Communications Director and Legislative Advisor, Office of City Council Member Mark Levine**

The office of NYC Council Member Mark Levine is seeking an experienced and talented professional to lead the office's communications and press efforts. The ideal candidate must be an excellent writer, self-starter, team-player, and exceptional project manager with knowledge and understanding of New York City government, policy, and media landscape. For responsibilities, qualifications, and to apply, click [here](#).

### **Chief of Staff, MIT CoLab**

[MIT CoLab](#), a center at MIT within a world class urban planning department, is hiring an agile and detail-oriented Chief of Staff for our NY Office to drive short-term planning for the team, unlock operational roadblocks, and support the Just Urban Economies Director with strategic inquiries to the organization.

**Compensation:** \$60K -\$70K. Read the job description, desired qualifications, and [apply here!](#)

### **Senior Account Executive, Real Estate & Cities Practice, BerlinRosen**

BerlinRosen, a leading national strategic communications firm, is seeking a Senior Account Executive for our rapidly growing Cities practice. The team works with transportation, infrastructure, real estate, economic development, smart cities, and architecture clients who are shaping the future of cities. Qualifications: 3-4 years of experience in communications, PR, journalism, or government; interest in real estate, urbanism, and local politics. Read the job posting and [apply here](#).

### **TODAY'S SKED:**

Mayor **Bill de Blasio** is in New York City.

Gov. **Andrew Cuomo** is in Albany.

7:30 a.m. – **Cuomo** appears on “New Day,” CNN.

10 a.m. – State Sen. Julia Salazar, New York City Council members Carlina Rivera and Carlos Menchaca rally to promote an accurate 2020 census count, City Hall steps, Manhattan.

10:30 a.m. – **Cuomo** appears on “The Roundtable” with Alan Chartock, WAMC.

11 a.m. – “The Capitol Pressroom” features E.J. McMahon, founder and research director of the Empire Center for Public Policy, WCNY.

11 a.m. – Survivors of solitary confinement and advocates hold a rally outside Gov. Andrew Cuomo’s New York City office demanding he support the HALT Solitary Confinement Act, 633 Third Ave., Manhattan.

11:30 a.m. – Bronx Borough President Ruben Diaz Jr. delivers the keynote address at the Pace University conference on “opportunity zones,” Schimmel Center at Pace University, 3 Spruce St., Manhattan.

12 p.m. – Lt. Gov. Kathy Hochul marches and speaks at the YWCA Stand Against Racism event, 401 Douglas St., Syracuse.

1 p.m. – New York City schools Chancellor Richard Carranza attends Time 100 Summit, Center 415, 415 Fifth Ave., Manhattan.

2 p.m. – Hochul makes an announcement as part of the Department of Environmental Conservation’s weeklong celebration of Earth Day and tours downtown with Mayor Ellen Polimeni, Commons Park, 150 S. Main St., Canandaigua.

3:15 p.m. – Skidmore College Humanities Action Lab students deliver petition to Cuomo during Earth Week, with the support of members of SHARE, War Room, second floor, state Capitol, Albany.

4:30 p.m. – Hochul outlines the 2019 Women’s Justice Agenda, Hobart and William Smith Colleges, Scandling Campus Center, 300 Pulteney St., Geneva.

5:30 p.m. – Diaz Jr. co-hosts a Sexual Assault Awareness Seminar with Ted Bunch from “A Call to Men,” Bronx County Building, Veterans’ Memorial Hall, 851 Grand Concourse, Bronx.

6 p.m. – New York State Vapor Association Inc., in association with the American Vaping Association and Coalition for a Tobacco Free America, holds a press conference to oppose the Albany County proposition to ban all flavored tobacco products, Albany County Courthouse, 6 Lodge St., Albany.

6:30 p.m. – Manhattan Borough President Gale Brewer attends the Big Brothers Big Sisters 2019 Awards dinner, New York Hilton Midtown, 1335 Avenue of the Americas, Manhattan.



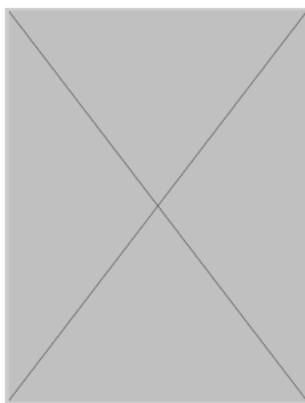
7 p.m. and 11 p.m. – “Inside City Hall” features **de Blasio**, NY1.

7 p.m. – Hochul delivers remarks at the American Association of University Women Buffalo Branch scholarship dinner, Salvatore Garden Restaurant, 6461 Transit Road, Depew.

7:45 p.m. – Brewer attends the New York Landmarks Conservancy Lucy G. Moses Preservation Awards, The Plaza, 768 Fifth Ave., Manhattan.

**KICKER:** “This is just part of my life.” – Mayor de Blasio, defending his nearly daily SUV drives from Gracie Mansion to his gym in Brooklyn while preaching the need for energy efficiency and emissions reductions, [via the Daily News](#)

[Click here](#) to read this week’s edition of City & State Magazine



[Subscribe](#) to the Magazine

[Follow on Twitter](#) [Friend on Facebook](#) [Follow on Instagram](#)

*First Read is the morning email newsletter from City & State, covering politics and government in New York.*

© 2019 City and State NY, LLC.

**Our mailing address is:**

61 Broadway, Suite 1315, New York, NY 10006

[Update your preferences or unsubscribe here.](#)

[Link](#)